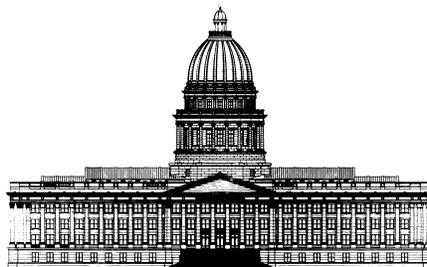

COMPENDIUM OF BUDGET INFORMATION
FOR THE
2006 GENERAL SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE FOR
CAPITAL FACILITIES AND ADMINISTRATIVE SERVICES

OFFICE OF THE LEGISLATIVE FISCAL ANALYST
STEVEN ALLRED, JONATHAN BALL, AND TODD WARDROP
NOVEMBER 17, 2005

UTAH STATE LEGISLATURE
COMPENDIUM OF BUDGET INFORMATION
FOR THE
2006 GENERAL SESSION

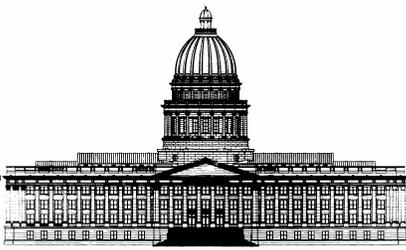


JOHN E. MASSEY, DIRECTOR

OFFICE OF THE LEGISLATIVE FISCAL ANALYST
W310 STATE CAPITOL COMPLEX
SALT LAKE CITY, UTAH 84114-5310

801-538-1034

WWW.LE.UTAH.GOV



JOHN E. MASSEY
LEGISLATIVE FISCAL ANALYST

OFFICE OF THE LEGISLATIVE FISCAL ANALYST

W310 STATE CAPITOL COMPLEX • P.O. BOX 145310
SALT LAKE CITY, UTAH 84114-5310 • WWW.LE.STATE.UT.US/LFA
PHONE: (801) 538-1034 • FAX: (801) 538-1692

November 17, 2005

Members of the Capital Facilities & Administrative Services Appropriations Subcommittee
House Building
Utah State Capitol Complex
Salt Lake City, UT 84114

Dear Legislators:

Please find attached the second edition of the Utah Legislature's Compendium of Budget Information (COBI). COBI is one part of a three-pronged approach to staff budget analysis. It is designed as a reference document from which you may garner details on Utah state government activities within your subcommittee's jurisdiction. It includes program descriptions, references to statutory authority, accountability information, and, of course, budget data. COBI sets a baseline against which you can evaluate budgets proposed during the 2006 General Session.

Parts two and three of the Legislature's budget analysis – Budget Briefs and Issue Briefs – will be available throughout the 2006 General Session beginning in January. Both are succinct, decision oriented papers that build on COBI, presenting future budget options rather than COBI's *status quo*. Budget Briefs follow the structure of state government documenting proposals for current year supplemental and future year budget action. Issue Briefs cut across "silos" to discuss subjects that impact state appropriations independent of program structure.

As you know, a rebounding state economy afforded Utah's Legislature nearly \$400 million in new ongoing sales and income tax revenue last General Session. You appropriated \$385 million (10.3 percent increase) of new ongoing funds to state programs, including an additional \$90 million for transportation infrastructure. On top of this, you invested \$300 million in one-time money for buildings, transportation, and to shore up the state's rainy day funds. Detail on these appropriations, as they relate to your subcommittee, are included in the "2006 Appropriated" column of the budget tables herein. Utah's total budget, by funding source, subcommittee, and category of expenditure, is summarized in the table on the following page.

If I or my staff can assist you further regarding this document or any other budget matter, please do not hesitate to contact me at (801) 538-1034.

Sincerely,

John E. Massey
Legislative Fiscal Analyst

Budget History - State of Utah

	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,797,274,980	1,795,120,600	1,745,496,800	1,767,478,150	1,910,800,000
General Fund, One-time	(4,874,000)	28,962,750	(241,600)	117,058,700	79,762,800
Uniform School Fund	1,782,091,660	1,684,266,694	1,734,161,174	1,815,156,111	1,917,934,675
Uniform School Fund, One-time	32,191,400	10,436,000	5,891,000	34,800,900	43,725,000
Income Tax	103,415,500	4,908,000	112,000,000	200,520,900	235,260,900
Income Tax, One-time	3,703,100	1,935,100	(23,200,000)	52,073,500	14,296,600
Transportation Fund	406,266,600	389,538,000	391,891,100	478,251,000	401,191,400
Transportation Fund, One-time	0	0	0	277,100	1,457,000
Centennial Highway Fund	106,621,200	103,848,200	117,531,900	145,761,800	126,393,400
Centennial Highway Fund, One-time	0	0	1,796,800	0	0
General Fund Restricted	119,497,400	132,317,200	154,215,300	164,259,200	201,644,700
Uniform School Fund Restricted	75,800	78,400	72,000	0	10,092,000
Transportation Fund Restricted	28,683,000	27,573,800	29,813,200	30,720,100	36,617,300
Federal Funds	1,822,267,628	1,941,960,562	2,175,010,878	2,263,215,345	2,260,243,100
Dedicated Credits	957,433,182	774,058,339	614,539,099	713,225,687	645,533,100
Land Grant	1,148,200	771,000	804,700	740,435	1,058,500
Federal Mineral Lease	34,909,500	43,612,900	64,176,600	64,785,719	69,322,600
Restricted Revenue	2,850,000	9,606,100	2,944,000	22,184,000	0
Trust and Agency Funds	446,988,660	377,644,015	406,862,037	507,463,577	572,099,102
Transfers	278,521,804	310,161,147	312,380,022	308,684,973	310,564,600
Repayments/Reimbursements	7,999,200	12,260,800	15,206,500	11,107,200	11,816,900
Pass-through	0	69,500	994,900	1,503,200	548,500
Beginning Balance	229,021,456	478,431,169	508,794,041	170,693,093	177,445,900
Closing Balance	(460,900,376)	(508,666,242)	(408,796,598)	(227,354,702)	(53,978,100)
Lapsing Balance	(45,866,873)	(88,457,656)	(56,071,454)	(21,154,000)	(1,906,900)
Total	\$7,649,319,021	\$7,530,436,379	\$7,906,272,399	\$8,621,451,988	\$8,971,923,077
Subcommittees					
Executive Offices & Criminal Justice	598,175,900	544,478,400	582,590,000	618,377,000	623,649,000
Capital Facilities & Administrative Services	388,444,700	398,725,500	280,034,100	463,363,300	400,866,900
Commerce & Revenue	374,926,700	412,165,900	430,821,500	445,443,400	488,524,700
Economic Development	117,071,100	124,236,700	136,126,100	113,442,800	213,273,300
Health & Human Services	1,690,730,621	1,796,226,868	1,988,592,616	2,145,033,300	2,340,844,700
Higher Education	885,927,200	888,515,400	933,836,500	991,420,900	1,036,469,800
Natural Resources	158,000,800	176,375,400	165,264,800	168,919,200	180,119,200
Public Education	2,372,451,200	2,330,739,161	2,438,357,683	2,593,642,788	2,706,441,977
Transportation & Environmental Quality	1,049,369,700	844,949,400	935,857,900	1,066,809,300	965,171,100
Legislature	14,221,100	14,023,650	14,791,200	15,000,000	16,562,400
Total	\$7,649,319,021	\$7,530,436,379	\$7,906,272,399	\$8,621,451,988	\$8,971,923,077
Categories of Expenditure					
Personal Services	1,756,403,885	1,736,353,103	1,807,103,694	1,898,810,498	1,982,373,727
In-State Travel	15,244,440	14,134,072	14,501,946	16,907,709	15,461,900
Out of State Travel	5,198,254	4,523,469	4,889,409	5,479,600	5,405,050
Current Expense	794,148,050	1,004,437,498	854,643,304	954,479,191	982,337,123
DP Current Expense	81,528,870	77,976,393	82,210,862	84,165,900	74,900,900
DP Capital Outlay	14,199,185	178,550,753	12,440,919	12,629,500	16,665,300
Capital Outlay	583,087,452	62,307,914	483,855,565	439,775,216	480,814,900
Other Charges/Pass Thru	4,397,869,985	4,452,009,276	4,646,415,400	5,078,915,674	5,412,522,177
Cost of Goods Sold	315,800	(299,600)	(129,500)	(135,800)	(37,400)
Cost Accounts	0	4,600	(24,500)	0	700
Operating Transfers	1,216,500	182,600	144,300	172,900	96,400
Trust & Agency Disbursements	106,600	256,300	221,000	130,251,600	1,382,300
Total	\$7,649,319,021	\$7,530,436,378	\$7,906,272,399	\$8,621,451,988	\$8,971,923,077
Other Data					
Budgeted FTE	32,439.9	32,094.4	34,063.3	34,314.5	34,652.2

Note: FY 2005 Nonlapsing Balances are still under review as of date of publication.

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INTRODUCTION

Format

Staff budget analysis consists of three parts:

- Compendium of Budget Information (COBI). The document you are currently reading, the COBI provides comprehensive information on state agencies, institutions, and programs. It is a resource for decision-makers desiring further detail or background information beyond the summary provided in a Budget or Issue Brief. It is useful for reviewing base budgets, but does not contain staff recommendations.
- Issue Briefs. These relatively short documents (no more than a few pages) discuss issues that transcend line items or perhaps even departments. For example, if the Legislative Fiscal Analyst wishes to present a concern with law enforcement, an Issue Brief may be the best format. The analyst will prepare Issue Briefs just prior to the 2006 General Session.
- Budget Briefs. Another relatively short document, the budget brief is used to present issues, recommendations, performance measures, and line item-level budget tables. The purpose of this document is to bring budgets to the forefront and to discuss the analyst's recommendations. The analyst will prepare Budget Briefs just prior to the 2006 General Session.

Process

The Office of the Legislative Fiscal Analyst (LFA) – a non-partisan office – serves both chambers of the Legislature by making independent budget recommendations, determining the fiscal impact of proposed legislation, and preparing appropriations bills. Appropriations subcommittees review LFA's recommendations, vote upon, and report to the Executive Appropriations Committee proposed budgets for programs within their respective jurisdictions. The Executive Appropriations Committee, and ultimately the Legislature as a whole, considers multiple appropriation acts that, in turn, determine the final annual budget for each program of state government.

Timing

Utah does not budget on the calendar year, but on what is termed a Fiscal Year, which is the twelve-month period from July 1 to June 30 of the following year. A Fiscal Year is usually abbreviated FY, with the number follows "FY" designating the calendar year in which the second six months fall. The current fiscal year is FY 2006, which will end June 30, 2006. During the 2006 General Session, the Legislature can make supplemental changes to the already established budget for FY 2006. The next fiscal year, for which the Legislature is determining a new budget, is FY 2007. FY 2007 includes the period of time from July 1, 2006 to June 30, 2007.

Sources

In allocating resources for state government use, appropriations subcommittees may use funding from several sources. The following funding sources most commonly used by the subcommittees:

- General Fund

- School Funds
- Transportation Funds
- Federal Funds
- Dedicated Credits
- Restricted Funds
- Other Funds

A glossary of terms – included at the end of this document – defines these funding sources as well as other terms commonly used in Utah state budgeting.

CHAPTER 1 COMMITTEE SUMMARY

Overview

The Capital Facilities and Administrative Services (CFAS) Appropriations Subcommittee reviews and approves the budgets for five principal areas of state government. The subcommittee makes a recommendation to the Executive Appropriations Committee and the whole Legislature for final approval. The areas for which this subcommittee is responsible are:

- Capitol Preservation Board
- Career Service Review Board
- Department of Administrative Services – Appropriated Budgets
- Department of Administrative Services – Internal Service Funds
- Department of Technology Services
- Debt Service
- Capital Facilities

During the 2005 General Session the Legislature folded the Department of Human Resource Management as a division in the Department of Administrative Services. The Legislature also created a new Department of Technology Services and consolidated statewide information technology functions into the new department. The budgets for these new entities are under the purview of the CFAS Appropriations Subcommittee and become effective beginning in FY 2007.

The Legislature appropriated a total FY 2006 subcommittee budget of \$400,866,900, which included a General Fund appropriation of \$128,228,600.

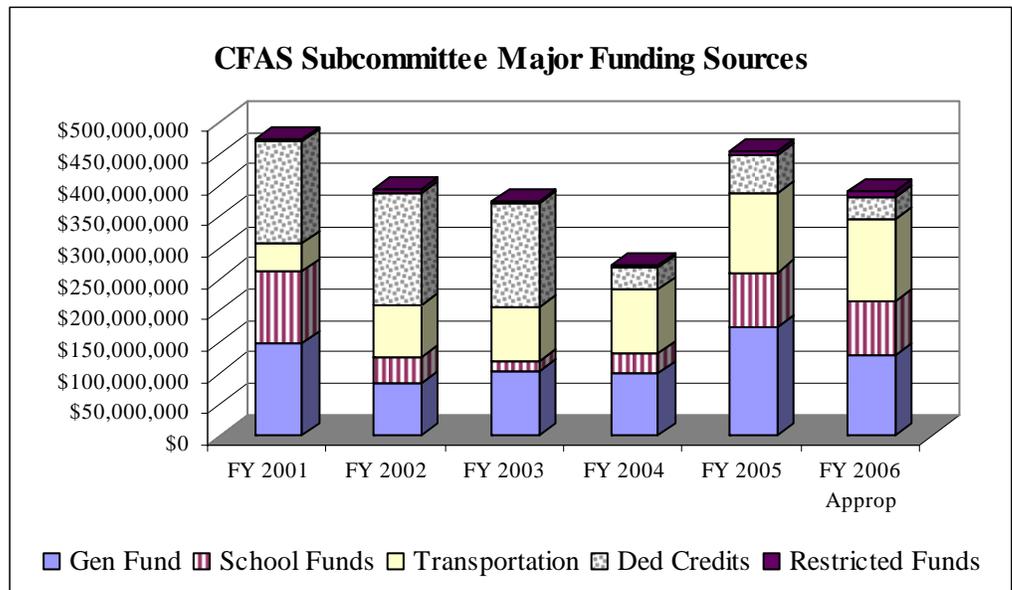


Figure 1

Budget History - Capital Facilities & Administrative Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	83,498,500	104,364,600	98,603,500	103,408,800	127,619,900
General Fund, One-time	(200)	0	1,147,800	69,796,900	608,700
Uniform School Fund	24,707,800	11,466,700	17,164,300	17,164,300	17,164,300
Uniform School Fund, One-time	0	0	0	1,682,400	24,000,000
Income Tax	17,000,000	4,900,000	17,000,000	17,000,000	40,258,800
Income Tax, One-time	0	0	0	52,073,500	6,534,200
Transportation Fund	450,500	450,000	450,000	450,000	450,000
Transportation Fund, One-time	0	0	0	0	1,457,000
Centennial Highway Fund	82,657,500	84,618,200	97,724,900	125,371,200	126,393,400
Centennial Highway Fund, One-time	0	0	1,796,800	0	0
Federal Funds	0	7,900,300	552,200	1,519,800	1,438,300
Dedicated Credits Revenue	35,762,200	29,263,700	35,914,600	61,524,800	36,662,100
Dedicated Credits - Intragvt Rev	428,100	0	0	0	0
Dedicated Credits - GO Bonds	143,390,000	138,020,000	0	0	0
Restricted Revenue	0	0	0	5,400	0
GFR - E-911 Emergency Services	0	0	0	250,000	250,000
GFR - Economic Incentive Restricted Acco	0	0	0	0	981,900
GFR - ISF Overhead	3,419,400	1,489,500	1,490,000	1,272,400	1,272,400
GFR - Special Administrative Expense	1,186,700	0	0	2,801,000	0
GFR - Wildlife Resources Trust	0	0	0	250,000	0
TFR - Public Transp. System Tax	0	0	2,220,700	2,190,300	7,204,400
Transfers	6,573,700	5,118,000	3,916,100	6,976,000	141,400
Transfers - Internal Service Funds	203,000	130,800	0	0	0
Risk Management ISF	0	0	0	0	65,900
Capital Project Fund	0	3,086,600	966,900	3,956,700	1,638,100
Project Reserve Fund	200,000	800,000	1,699,500	0	200,000
Contingency Reserve Fund	0	0	0	0	2,099,200
Pass-through	0	7,500	0	0	0
Beginning Nonlapsing	15,370,000	26,262,000	18,919,800	19,342,500	12,471,100
Closing Nonlapsing	(26,339,600)	(18,919,900)	(19,342,500)	(23,430,700)	(8,044,200)
Lapsing Balance	(62,900)	(232,500)	(190,500)	(242,000)	0
Total	\$388,444,700	\$398,725,500	\$280,034,100	\$463,363,300	\$400,866,900
Agencies					
Capitol Preservation Board	2,770,500	2,576,200	2,588,200	2,703,900	2,788,700
Administrative Services	25,678,200	18,974,100	18,621,000	22,683,400	23,170,000
Career Service Review Board	140,000	201,900	187,500	189,200	189,800
Technology Services	456,700	825,500	2,092,100	2,092,000	2,543,400
Capital Budget	184,210,700	187,127,000	44,584,700	151,665,700	101,455,600
Debt Service	175,188,600	189,020,800	211,960,600	273,677,600	246,619,400
Restricted Revenue - CFAS	0	0	0	10,351,500	24,100,000
Total	\$388,444,700	\$398,725,500	\$280,034,100	\$463,363,300	\$400,866,900
Categories of Expenditure					
Personal Services	12,759,800	12,807,500	13,722,700	14,450,100	15,540,700
In-State Travel	63,000	74,700	105,300	103,500	110,500
Out of State Travel	46,900	45,100	77,300	74,600	85,200
Current Expense	181,223,400	193,578,000	216,872,200	278,752,300	252,350,200
DP Current Expense	3,252,500	2,689,500	2,770,800	2,366,000	5,222,500
DP Capital Outlay	1,705,100	1,460,500	897,100	1,831,600	341,000
Capital Outlay	0	97,300	30,500	5,100	83,700
Other Charges/Pass Thru	189,394,000	187,972,900	45,558,200	165,780,100	127,133,100
Total	\$388,444,700	\$398,725,500	\$280,034,100	\$463,363,300	\$400,866,900
Other Data					
Budgeted FTE	211.4	211.5	216.0	210.5	208.4
Actual FTE	202.8	197.8	207.0	212.3	0.0
Vehicles	9	10	10	10	10
Internal Service Funds					
Revenue	161,105,800	153,354,600	157,343,500	168,349,700	161,419,400
Budgeted FTE	508.2	512.2	501.5	500.5	724.0
Actual FTE	509.9	497.1	484.3	471.8	0.0
Authorized Capital Outlay	43,368,400	21,060,400	25,187,300	20,776,000	25,145,300
Retained Earnings	21,021,100	17,540,100	18,812,300	20,412,700	23,609,000
Vehicles	316	317	283	261	286

Table 1

The following is a complete list of the subcommittee's line items, with their programs indented underneath.

Capitol Preservation Board

Career Service Review Board

Department of Administrative Services –
Executive Director

Administrative Rules

Division of Facilities Construction and Management (DFCM)

DFCM Administration
Preventive Maintenance
Governor's Residence
DFCM HazMat
Roofing and Paving

State Archives

Archives Administration
Records Analysis
Preservation Services
Patron Services
Records Services

Division of Finance Administration

Director's Office
Payroll
Payables/Disbursing
Technical Services
Financial Reporting
Financial Information Systems

Finance – Mandated

LeRay McAllister Critical Land Conservation Fund
Development Zone Rebates

Post-Conviction Indigent Defense

Post-Conviction Indigent Defense Fund

Judicial Conduct Commission

Purchasing

Division of Human Resource Management

Administration
Classification and Employee Relations
Recruitment, Training and Development

Flex Benefits
Management Training
Information Technology

Office of State Debt Collection
ISF – Debt Collection

Division of Purchasing and General Services
ISF – Central Mailing
ISF – Electronic Purchasing
ISF – Publishing

Division of Information Technology Services (ITS)
ISF – ITS Administration and Finance
ISF – Network Services
ISF – Voice Services
ISF – Computing
ISF – Mainframe Hosting
ISF – Desktop/LAN Support
ISF – Storage Services
ISF – Web Hosting
ISF – Application Development
ISF – Reporting Services
ISF – Wireless Technology Services
ISF – ITS Support Services
ISF – Clearing

Division of Fleet Operations (DFO)
ISF – Motor Pool
ISF – Fuel Network
ISF – State Surplus Property

Risk Management
ISF – Risk Management Administration
ISF – Workers' Compensation

DFCM – Facilities Management
ISF – Facilities Management

Department of Technology Services
Chief Information Officer

Integrated Technology
Automated Geographic Reference Center

Internal Service Fund

Capital Budget

Capital Developments

Capital Improvements

Property Acquisitions

State Board of Bonding Commissioners

Debt Service

The subcommittee also sponsors two bonding bills:

- General Obligation Bonds (None in 2005 General Session; H.B. 1007 “Veteran’s Nursing Home” in 2005 First Special Session)
- Revenue Bonds and Capital Facilities Authorizations (H.B. 287 in 2005 General Session)

CHAPTER 2 CAPITOL PRESERVATION BOARD**Function**

The Capitol Preservation Board manages all functions associated with Capitol Hill facilities and grounds. This includes maintenance, furnishings, occupancy, public usage and long range master planning.

The first duty of the Capitol Preservation Board is to manage the day-to-day operations of Capitol Hill, including the State Office Building, the DUP Museum, the Travel Council Building, the Greenhouse and the White Chapel. Grounds maintenance and facility management are provided through a contract with the State Division of Facilities Construction and Management (DFCM).

The second duty of the board is to manage the restoration of the State Capitol. The Executive Director is also the Architect of the Capitol. The first phase of the restoration was completed when the east parking structure opened along with the east and west buildings. Construction on the second phase—a new heat plant and total restoration of the Capitol—officially began in September 2004.

Statutory Authority

The following statutes govern operation of the board:

UCA 63C-9-201 establishes the 15-member board, comprised of:

- The governor or a designee.
- The lieutenant governor.
- The president of the Senate or a designee.
- The speaker of the House of Representatives or a designee.
- Three members appointee by the governor.
- Two members of the Senate appointed by the president, one from each party.
- Two members of the House appointed by the speaker, one from each party.
- The chief justice of the Supreme Court or a designee.
- The director of the Division of Archives.
- An architect and structural engineer appointed by the governor with the consent of the Senate.

UCA 63C-9-301 gives the board power to exercise complete jurisdiction over Capitol Hill facilities and grounds, except that control of the legislative area is reserved to the Legislature.

UCA 63-9-301 also requires the board to:

- Consult with DFCM, the State Library Division, Archives, State History, Museum Services, and the Arts Council when needed

- Submit annual budget requests to the governor and Legislature.
- Approve the executive director's work plans and master plans.
- Approve all changes to buildings and grounds.
- Identify and inventory all significant contents of the buildings and all state-owned items of historical significance that were at one time in the buildings.
- Keep archives relating to the construction and content of the buildings and grounds.
- Make rules to administer Capitol Hill.
- Adopt procurement procedures substantially equal to the Utah Procurement Code, though it is exempt from the code.

UCA 63C-9-402 lists the duties of the executive director, some of which are to:

- Develop a twenty-year master plan concerning the maintenance, preservation, restoration, and modification of the Capitol Hill facilities and grounds.
- Develop a furnishings plan for the placement and care of objects under the care of the Board.
- Prepare and recommend an annual budget.
- Prepare an annual detailed report accounting for all funds received and disbursed by the Board during the previous fiscal year.
- Develop a program to locate and acquire state-owned items of historical significance that were at one time in the buildings.
- Approve all art and exhibits placed on Capitol Hill.
- Develop and manage a visitor services program for Capitol Hill with duties that include conducting tours, managing a gift shop, and providing communication services.

UCA 63C-9-602 requires any state-owned item identified by the board as historically significant and that was at one time located on Capitol Hill to be transferred to the inventory of the board within sixty days.

UCA 63C-9-702 creates an eleven-member Art Placement Subcommittee of the board to oversee the content and placement of each piece of art.

Intent Language

During the 2005 General Session the Legislature adopted the following intent language for [FY 2006 \(H.B. 1\)](#):

It is the intent of the Legislature that funds for the Capitol Preservation Board shall not lapse and that those funds shall be used for the design and construction costs associated with Capitol restoration.

Accountability

Construction progress shown for FY2005 and FY2006 to date (October 2005):

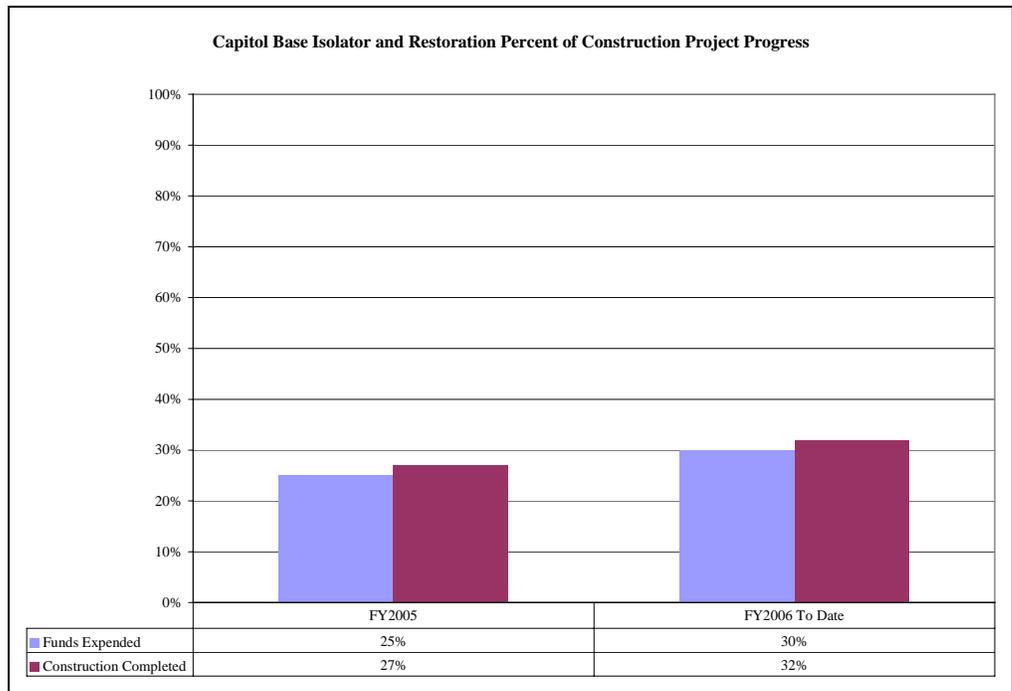


Figure 2

Construction progress is on schedule and within budget. Recent shortages in concrete and other materials have not been a factor to the project. The timeline for completion is January 2008 for re-opening celebration events and the legislative session.

Funding Detail

During the 2005 General Session the Legislature restored \$117,000 in ongoing General Funds to this budget for Capitol Hill maintenance. Prior to this partial restoration of FY 2002 funding cuts, the Executive Director was forced to negotiate reduced services with DFCM. In the 2005 General Session the Legislature also appropriated \$35,100 for a secretary and \$20,000 for wireless internet public hot spots in the east and west buildings.

Not all funds cut in FY 2002 have been restored. The board continues to charge a portion of its staff’s time to the construction budget (see “Transfers” in the following table).

One of the FTEs shown in [Table 2](#) (next page) is funded separately with construction funds and fundraising. Although the FTE is included in the FTE count, costs for the FTE are not included in the table.

Budget History - Capitol Preservation Board					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,525,600	2,202,000	2,165,400	2,175,800	2,358,400
General Fund, One-time	0	0	600	118,500	0
Dedicated Credits Revenue	260,300	269,300	280,900	313,700	288,900
Restricted Revenue	0	0	0	5,400	0
Transfers	0	121,000	104,000	141,400	141,400
Beginning Nonlapsing	0	21,300	37,300	0	0
Closing Nonlapsing	(15,400)	(37,400)	0	(50,900)	0
Total	\$2,770,500	\$2,576,200	\$2,588,200	\$2,703,900	\$2,788,700
Categories of Expenditure					
Personal Services	159,300	162,100	167,700	177,400	216,500
In-State Travel	800	200	0	0	500
Current Expense	2,601,600	2,406,400	2,414,200	2,516,300	2,540,300
DP Current Expense	8,800	7,500	6,300	10,200	31,400
Total	\$2,770,500	\$2,576,200	\$2,588,200	\$2,703,900	\$2,788,700
Other Data					
Budgeted FTE	2.0	2.0	3.0	3.0	4.0
Actual FTE	2.5	3.0	3.0	3.4	0.0

Table 2

CHAPTER 3 CAREER SERVICE REVIEW BOARD

Function	<p>The Career Service Review Board (CSRB) administers the state’s grievance and appeals process. Its policy is to resolve grievances at the lowest possible managerial level. It has hearing officers, is a quasi-judicial body, and hears final administrative appeals. The board hears cases related to decisions about promotions, dismissals, demotions, suspensions, written reprimands, wages, salary, violations of personnel rules, issues concerning the equitable administration of benefits, reductions in force, and disputes concerning abandonment of position. It has no jurisdiction over classification grievances and is required to send them to the Division of Human Resource Management.</p> <p>The CSRB conducts pre-hearing conferences in an attempt to mediate many of the cases which come before them. When necessary however, they conduct jurisdictional, evidentiary, and appellate levels of adjudications as a means of resolving disputes.</p> <p>The CSRB conducts hearings as efficiently as possible using hearing officers who are under contract. As such the only ongoing salary costs are for the administrator and a secretary to research, write and issue legal decisions.</p>
Statutory Authority	<p>UCA 67-19a-101 defines “grievance” as a complaint by a career service employee concerning any matter touching upon the relationship between the employee and his/her employer; and any dispute between a career service employee and his/her employer.</p> <p>UCA 67-19a-202 gives the board jurisdiction to serve as the final administrative body to review appeals from career service employees and agencies.</p> <p>UCA 67-19a-204 requires the board to make rules governing the appeals process.</p> <p>UCA 67-19a-204 requires the governor to appoint the administrator, who may assign hearing officers to each case, subpoena witnesses, documents and other evidence, and quash unreasonable subpoenas.</p> <p>UCA 67-19a-303 spells out employees’ rights in a grievance and appeals procedure. Employees may use a reasonable amount of time and may not have reprisals taken against them for using grievance procedures.</p> <p>UCA 67-19a-401 through 408 list the procedural steps to be followed by the employee and the employer, including the administrator’s power to require a pre-hearing conference.</p>
Accountability	<p>The Career Service Review Board’s workload is tracked by measuring caseload growth as shown in Figure 3. Since the number and type of grievances is determined by employees and employers rather than by the board, there is no target number.</p>

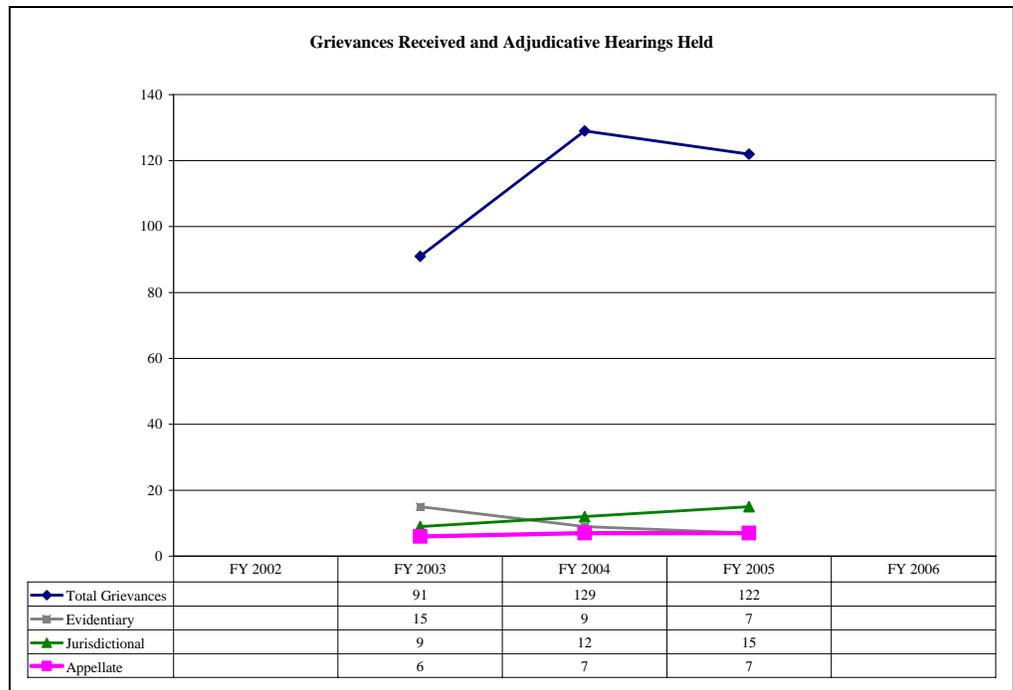


Figure 3

Measure: Number of grievances received and adjudicative hearings held.

Goal: Resolve grievances at the lowest possible level; hold hearings in the fairest and most efficient way possible.

Methodology: This measure is a straight calculation of outputs.

Measure Type: Output that indicates workload.

Note: The number of grievances increased by 42 percent in FY 2004. Reasons for the increase are uncertain, but the office states that grievances tend to trend upward during periods of no pay raises. The office is making an effort to reduce the number of grievances heard in an evidentiary hearing through mediation and closer scrutiny of grievances. Several cases have been successfully mediated, thus they didn't go to an evidentiary hearing even though they were appealed.

Funding Detail

The Career Service Review Board utilizes funding from the General Fund. It carried forward \$42,500 from FY 2002 to FY 2003 because of a gap between the retirement of the previous administrator and the hiring of a new administrator. It usually carries forward some nonlapsing balance, but finished FY 2005 with only \$900 to carry forward into FY 2006.

Budget History - Career Service Review Board					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	169,300	159,500	202,700	165,800	189,800
General Fund, One-time	0	0	0	9,000	0
Beginning Nonlapsing	13,200	42,500	100	15,300	0
Closing Nonlapsing	(42,500)	(100)	(15,300)	(900)	0
Total	\$140,000	\$201,900	\$187,500	\$189,200	\$189,800
Categories of Expenditure					
Personal Services	118,600	147,800	154,100	153,500	180,400
In-State Travel	100	200	300	0	300
Out of State Travel	0	1,000	0	900	1,000
Current Expense	20,100	51,500	31,800	32,600	6,800
DP Current Expense	1,200	1,400	1,300	2,200	1,300
Total	\$140,000	\$201,900	\$187,500	\$189,200	\$189,800
Other Data					
Budgeted FTE	2.0	2.0	2.0	2.0	2.0
Actual FTE	1.8	2.0	2.0	2.0	0.0

Table 3

CHAPTER 4 DEPARTMENT OF ADMINISTRATIVE SERVICES – APPROPRIATED BUDGETS SUMMARY**Function**

The Department of Administrative Services (DAS) was created in 1981 by the Utah Administrative Services Act. Current statute (UCA 63A-1-102) sets forth seven purposes for the department:

1. Provide specialized agency support services commonly needed;
2. Provide effective, coordinated management of state administrative services;
3. Serve the public interest by providing services in a cost-effective and efficient manner, eliminating unnecessary duplication;
4. Enable administrators to respond effectively to technological improvements;
5. Emphasize the service role of state administrative service agencies in meeting the needs of user agencies;
6. Use flexibility in meeting the service needs of state agencies;
7. Protect the public interest by insuring the integrity of the fiscal accounting procedures and policies that govern the operation of agencies and institutions to assure funds are expended properly and lawfully.

The Legislature folded the Department of Human Resources into a division within DAS during the 2005 General Session (H.B. 319). The change becomes effective on July 1, 2006, the beginning of FY 2007.

Funding Detail

The following table is a five-year summary of the appropriated fund line items under DAS. More information can be found by looking at each line item.

Budget History - Department of Administrative Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	19,628,100	10,935,100	11,056,700	11,428,000	12,990,200
General Fund, One-time	(200)	0	3,360,100	7,268,600	108,700
Uniform School Fund	37,200	0	0	0	0
Transportation Fund	450,500	450,000	450,000	450,000	450,000
Federal Funds	0	0	0	0	4,500
Dedicated Credits Revenue	1,592,200	2,610,300	3,261,600	2,274,600	1,937,600
Ded Credits - Intragvt Rev	428,100	0	0	0	0
GFR - Econ Incentive Restr Acct	0	0	0	0	981,900
GFR - ISF Overhead	3,419,400	1,489,500	1,490,000	1,272,400	1,272,400
Transfers	(65,000)	0	0	0	0
Transfers - ISF	203,000	130,800	0	0	0
Risk Management ISF	0	0	0	0	65,900
Capital Project Fund	0	3,086,600	966,900	3,956,700	1,638,100
Project Reserve Fund	200,000	0	1,699,500	0	200,000
Contingency Reserve Fund	0	0	0	0	1,180,200
Pass-through	0	7,500	0	0	0
Beginning Nonlapsing	3,247,400	3,192,300	2,695,500	6,294,100	3,330,100
Closing Nonlapsing	(3,399,600)	(2,695,500)	(6,294,100)	(10,019,000)	(989,600)
Lapsing Balance	(62,900)	(232,500)	(65,200)	(242,000)	0
Total	\$25,678,200	\$18,974,100	\$18,621,000	\$22,683,400	\$23,170,000
Line Items					
Executive Director	1,000,400	891,700	861,900	818,300	1,022,700
Administrative Rules	280,100	269,300	285,700	350,300	350,500
DFCM Administration	3,677,600	3,542,800	3,800,900	4,026,900	4,216,600
State Archives	2,064,300	1,973,700	1,950,000	2,035,700	2,258,700
Finance Administration	10,634,600	10,283,300	9,427,700	10,087,600	12,024,400
Finance - Mandated	3,701,100	482,600	782,600	3,594,200	1,314,500
Post Conviction Indigent Defense	27,400	63,800	42,000	44,600	74,000
Judicial Conduct Commission	233,900	197,700	207,300	230,600	231,700
Finance - Mandated - Retirement	0	0	0	0	200,000
Purchasing	1,378,800	1,269,200	1,262,900	1,383,900	1,476,900
Fleet Capitalization	2,680,000	0	0	0	0
Child Welfare Parental Defense	0	0	0	111,300	0
Total	\$25,678,200	\$18,974,100	\$18,621,000	\$22,683,400	\$23,170,000
Categories of Expenditure					
Personal Services	12,481,900	12,094,400	12,147,000	12,764,600	13,568,900
In-State Travel	62,100	73,900	90,300	77,000	97,600
Out of State Travel	46,900	31,300	47,600	47,000	68,300
Current Expense	3,413,100	2,070,300	2,157,600	2,205,400	2,487,000
DP Current Expense	3,242,500	2,661,100	2,494,600	2,183,200	5,025,000
DP Capital Outlay	1,705,100	1,460,500	870,300	1,768,500	318,000
Capital Outlay	0	97,300	30,500	5,100	83,700
Other Charges/Pass Thru	4,726,600	485,300	783,100	3,632,600	1,521,500
Total	\$25,678,200	\$18,974,100	\$18,621,000	\$22,683,400	\$23,170,000
Other Data					
Budgeted FTE	207.4	202.5	196.0	187.5	187.9
Actual FTE	198.6	188.7	183.4	184.8	0.0
Vehicles	9	10	10	10	10

Table 4

CHAPTER 5 EXECUTIVE DIRECTOR'S OFFICE

Function	<p>The Executive Director's Office (EDO) provides financial management, strategic planning, organizational development, internal auditing and public relations for the Department of Administrative Services. While the client base for most state agencies is taxpayers, the primary customers for the Department of Administrative Services are other state agencies. The director helps coordinate inter-agency cooperation on issues such as fleet consolidation, archival procedures and purchasing guidelines.</p> <p>The auditing staff within EDO provides information that is valuable not only to the director, but also to the Legislature and its staff.</p>
Statutory Authority	<p>The following laws govern operation of the EDO:</p> <ul style="list-style-type: none">➤ UCA 63A is the "Utah Administrative Services Code."➤ UCA 63A-1-105 requires the governor to appoint the executive director with the consent of the Senate.➤ UCA 63A-1-106 allows the executive director to accept federal funds and bind the state to the terms of federal assistance.➤ UCA 63A-1-107 requires the executive director to provide administrative support to the State Building Board and State Building Ownership Authority.➤ UCA 63A-1-111 requires each division of DAS to formulate annual service plans describing services to be rendered, methods of providing those services, standards of performance, and performance measures used to gauge compliance with those standards. A copy must be sent to each customer agency before the beginning of each fiscal year.➤ UCA 63A-1-112 prohibits the issuance of certificates of participation for capital projects by the department or any other state agency without prior legislative approval.➤ UCA 63A-1-114 creates the ISF Rate Committee and requires the executive director or a designee to be a member.➤ UCA 63A-3-102 requires the executive director to appoint the director of the Division of Finance with the approval of the governor.➤ UCA 63A-9-301 requires the executive director or a designee to sit on the Motor Vehicle Review Committee.
Intent Language	<p>The 2005 Legislature adopted the following intent language in House Bill 1:</p> <p style="text-align: center;"><i>It is the intent of the Legislature that funds for the Executive Director's Office be nonlapsing.</i></p>
Accountability	<p>The primary responsibility of the EDO is administrative oversight. Administrative overhead should be as low as possible so more dollars can be allocated to service-providing programs.</p>

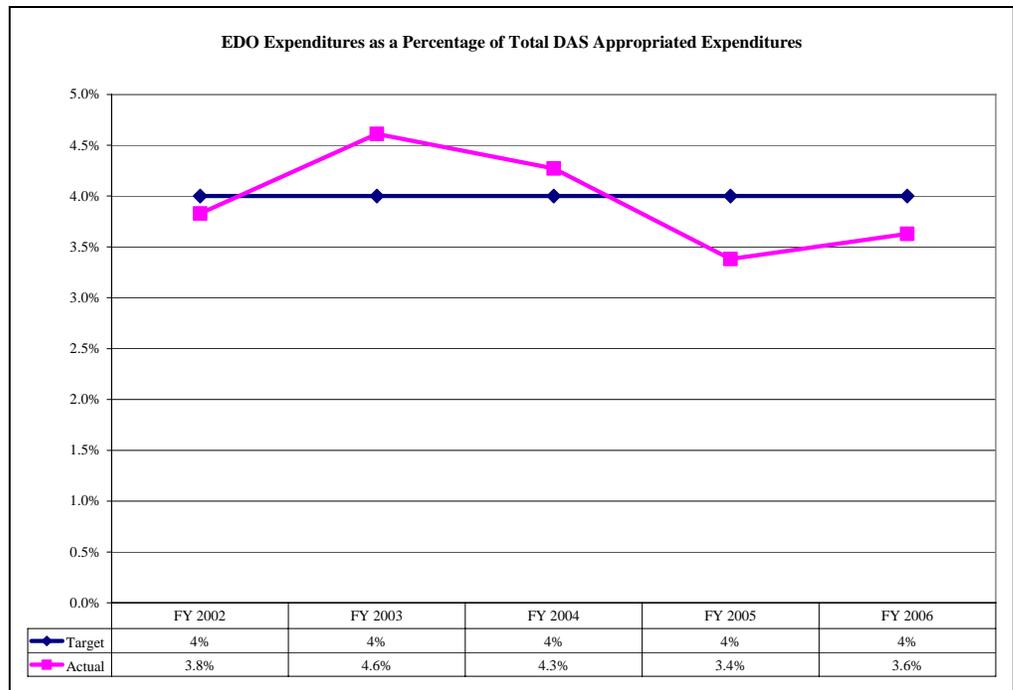


Figure 4

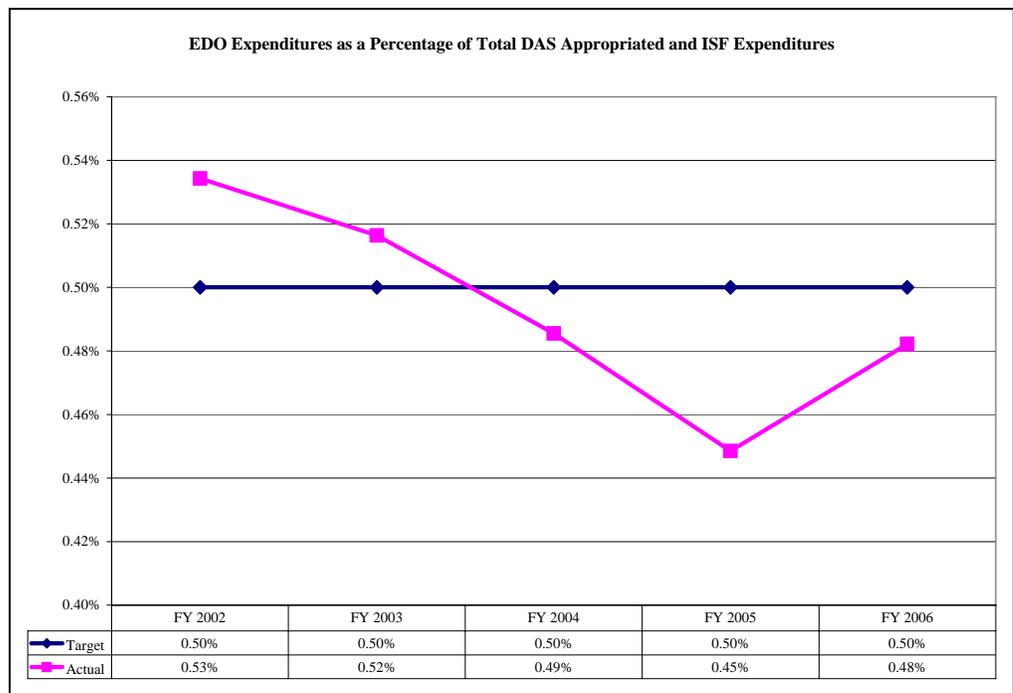


Figure 5

Measure: Executive Director’s Office expenditures as a percentage of total departmental costs (appropriated and appropriated + ISF).

Goal: Administrative overhead should be as low as possible so more dollars can be allocated to service-providing programs.

Methodology: This measure is a calculation of the Executive Director’s expenditures divided by the total departmental costs.

Measure Type: Efficiency.

Notes: Figures for FY 2006 do not include the \$125,000 that was added to EDO to oversee the Child Welfare Parental Defense contract, since that is not overhead operating money. In fact, oversight of this contract adds to the office workload without additional funding.

The EDO budget as a percentage of total departmental budgets is likely to increase in FY 2007 as a result of the Division of Information Technology Services (ITS) being moved out of DAS.

Funding Detail

FY 2006 appropriated General Funds increased primarily due to the Legislature transferring \$125,000 from the Office of Child Welfare Parental Defense (thus closing the office) to the EDO for contract oversight.

The duties of the Executive Director’s Office include oversight of the DAS Internal Service Funds. Approximately ten percent of the EDO budget has come from Internal Service Fund (ISF) transfers. However, with ITS (the largest ISF in department) moving to another department, the EDO will no longer oversee its operations nor collect the administrative fees. This will necessitate programmatic changes or funding changes within the EDO. ISF transfers are tied to audits, meetings, and hearings related to operations.

Budget History - Administrative Services - Executive Director					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	797,400	761,700	785,300	769,000	931,200
General Fund, One-time	0	0	1,900	3,100	0
Dedicated Credits Revenue	0	0	74,700	88,700	91,500
Transfers - ISF	203,000	130,800	0	0	0
Lapsing Balance	0	(800)	0	(42,500)	0
Total	\$1,000,400	\$891,700	\$861,900	\$818,300	\$1,022,700
Categories of Expenditure					
Personal Services	828,100	714,900	691,100	695,200	768,300
In-State Travel	800	700	300	300	300
Out of State Travel	1,900	500	3,000	0	1,700
Current Expense	151,400	159,400	137,400	98,600	236,500
DP Current Expense	18,200	16,200	30,100	24,200	15,900
Total	\$1,000,400	\$891,700	\$861,900	\$818,300	\$1,022,700
Other Data					
Budgeted FTE	10.0	10.0	9.0	8.0	8.0
Actual FTE	10.0	8.0	7.6	7.0	0.0

Table 5

CHAPTER 6 DIVISION OF ADMINISTRATIVE RULES

Function	<p>The Division of Administrative Rules establishes procedures for administrative rulemaking, records administrative rules, and makes administrative rules available to the public. As a member of the Department of Administrative Services, the division administers the Utah Administrative Rulemaking Act and ensures state agencies comply with filing, publication and hearing procedures. To accomplish these mandates, the division provides training to agency rule writers and administrators, performs individual consultations, publishes a periodic newsletter and distributes the <i>Rulewriting Manual for Utah</i>. The division also provides regular notices to agencies of rules due for five-year review, rules about to expire, or rules about to lapse.</p>
Statutory Authority	<p>The Utah Administrative Rulemaking Act is codified as UCA 63-46a and outlines the rulemaking process.</p> <ul style="list-style-type: none">➤ UCA 63-46a-2 defines a “rule” as an agency’s written statement that is explicitly or implicitly required by law, implements or interprets a state or federal mandate, and applies to a class of persons or another agency.➤ UCA 63-46a-3 requires each agency to maintain a current version of its rules and make it available to the public. Each agency must make rules when agency action authorizes or prohibits an action, provides or prohibits a material benefit, applies to a class of persons or another agency, and is explicitly or implicitly authorized by statute.➤ UCA 63-46a-3.5 gives agency rules the effect of law if they are properly established.➤ UCA 63-46a-4 outlines the proper rulemaking procedure. Subparagraph (4) requires each agency to develop flexible approaches in its rulemaking that meets the agency needs and involves the people affected by the rules. Subparagraph (4)(a) requires each agency to file its proposed rule and rule analysis with the Division of Administrative Rules. The division must publish the rule and rule analysis in its bulletin. The rule analysis must comment on fiscal impacts.➤ UCA 63-46a-7 allows for emergency rulemaking in extreme cases. These rules are effective for 120 days➤ UCA 63-46a-9.5 creates the Division of Administrative Rules within the Department of Administrative Services.➤ UCA 63-46a-9.6 requires the division to maintain the official compilation of the Utah Administrative Code and be the repository for administrative rules.➤ UCA 63-46a-10 charges the division with the responsibility of regulating the filing, publishing, and hearing of proposed rules. It also requires the division to publish effective rules and proposed rule

changes through two primary publications: the Utah Administrative Code and the Utah State Bulletin.

- UCA 63-46a-11 creates a legislative Administrative Rules Review Committee to exercise continuous oversight of the rulemaking process.

The *Utah State Bulletin* acts as state government's main means of notifying the public of rules being proposed by state agencies as well as the basic tool for soliciting public comment. The Bulletin, issued electronically on the first and fifteenth each month, is Utah's version of the Federal Register. In addition to proposed rules, the Bulletin includes emergency rules, notices of five-year reviews, effective notices, other public notices from state agencies, indexes of effective rules, and executive orders.

The *Utah Administrative Code* provides a unified source for effective rules with which state government, local entities and citizens are required to comply. The *Code* is Utah's version of the Code of Federal Regulations. The *Code* is available electronically over the Internet. Print and CD-ROM versions are available from private source vendors. In addition to effective rules, the printed *Code* contains research aids such as indexes, tables that correlate statutes and rules, case annotations, and history notes.

Intent Language

The Legislature adopted the following intent language in the [FY 2006 Appropriations Act \(H.B. 1\)](#):

It is the intent of the Legislature that funds for Administrative Rules shall not lapse and that those funds may be used to fund an FTE or contract position on a temporary basis.

Accountability

Administrative rules have the effect of law – implying that they might have a fiscal impact on state government or on citizens and businesses. The division enacted amendments to Section R15-4-10, outlining the detail necessary in answering the budget-related questions required by law. Further, UCA 63-46a-11 creates an Administrative Rules Review Committee to exercise continuous oversight of the rulemaking process.

The following three measures are used to gauge the division's ability to disseminate accurate rules in a timely manner.

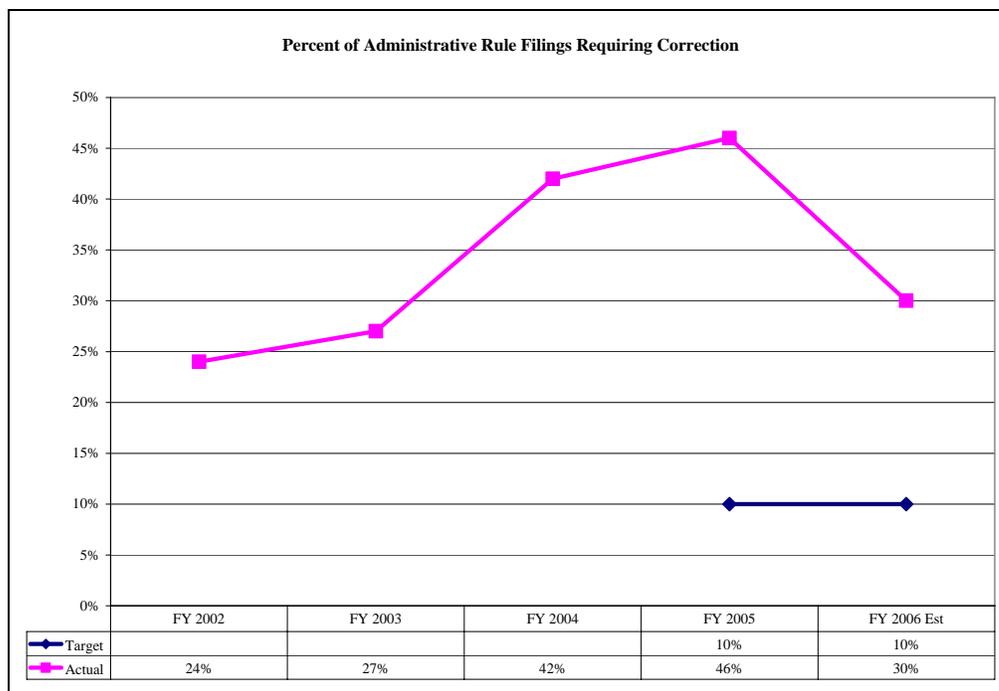


Figure 6

Measure: Percent of administrative rule filings requiring correction.

Goal: Reduce the number of administrative rule filings requiring correction through training and programming changes to eRules.

Methodology: Number of rules requiring substantive correction divided by the total number of rule filings. Projected figure for FY 2006 is based on fiscal-year to date numbers.

Measure Type: Outcome.

Note: It is much easier to challenge a rule on the grounds that an agency failed to follow proper procedures than it is to attack the substance of a rule. To help protect the state from procedural challenges, the division reviews rule filings to make sure certain minimum statutory requirements have been met. Rules that do not meet the minimum requirements are returned to the agency for correction. More than 45 percent of rules filed in FY 2005 required correction by the originating agency. If left unchecked, this could result in the need for additional employees at the division with the sole responsibility of reviewing rules for accuracy. This is not the highest and best use of funds since this is a responsibility of the submitting agencies.

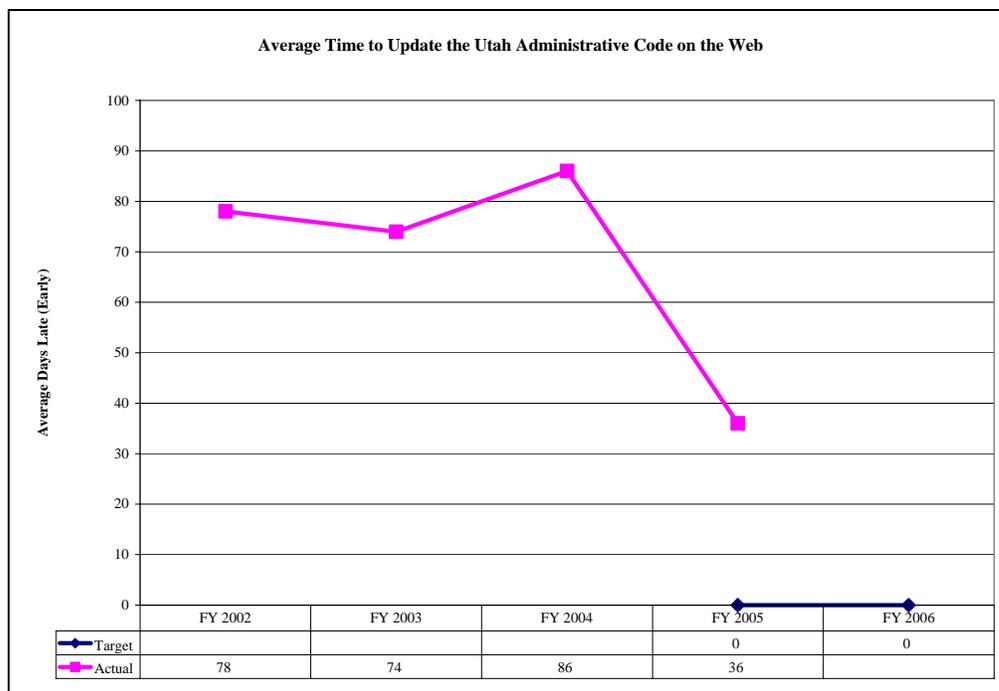


Figure 7

Measure: Average number of days to update the Utah Administrative Code (UAC) on the Web.

Goal: The UAC will be updated and available on the Web by the tenth of each month.

Methodology: The division records the date on which UAC monthly updates are posted on the Web. These monthly figures are averaged over the fiscal year.

Measure Type: Outcome.

Note: Timely availability of the UAC (effective rules) plays a critical role in how Utah’s regulatory system works. Public access to administrative rules increases the likelihood of compliance. Public access also provides citizens with an understanding of government’s expectations and requirements. Being informed, citizens can then act accordingly or recommend changes to rules.

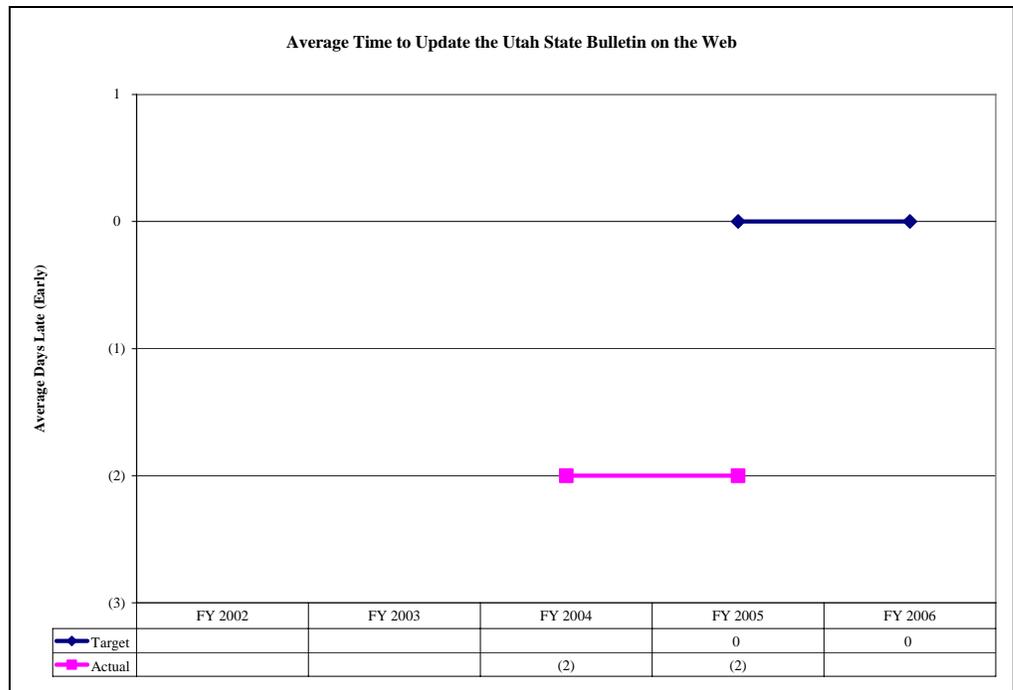


Figure 8

Measure: Average number of days to update the Utah State Bulletin on the Web.

Goal: The Utah State Bulletin will be updated and available on the Web on or before the publication date (1st and 15th of each month).

Methodology: The division records the date on which each bulletin is posted on the Web. These semi-monthly figures are averaged over the fiscal year.

Measure Type: Outcome.

Note: Timely access to the Bulletin, the noticing publication for proposed and emergency rules, plays a critical part in Utah’s regulatory process. Public access to proposed rules garners public input into the development of rules, thereby increasing the likelihood of compliance, and provides the agency with more resources and information on which to base policy decisions that become rules.

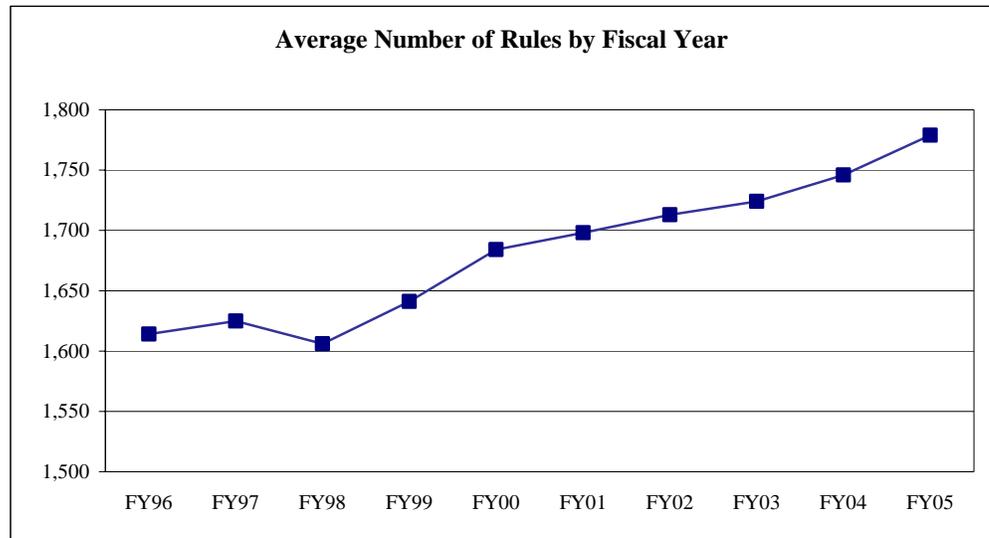


Figure 9

From FY 1996 through FY 2005 the division maintained an average of 1,683 effective rules. Annual growth in the number of effective rules averaged 1.1 percent in the same timeframe. Cumulative growth in the number of effective rules over the same period is 10.2 percent.

The division processes an average of almost 1,200 rule filings per year with four staff members. The division also provides information to the Administrative Rules Committee, and publishes the Utah State Bulletin and Administrative Code. The division does not have time nor staff to analyze every rule for accuracy and legality. However, over the past year the division noted an increase in rules filed with technical inaccuracies. More than forty percent of rules filed in FY 2004 and FY 2005 required correction by the originating agency.

Funding Detail

UCA 63-46a-10(5) gives this budget nonlapsing authority. To offset rising workload issues within the division, the 2004 and 2005 Legislatures each provided \$55,000 per year in one-time funds to hire a contract employee to assist with agency training and rules publication.

Dedicated Credits of \$57,200 in FY 2005 represent one-time grant money from two foundations for an Alternative Dispute Resolution (ADR) program. The two previous governors issued executive orders assigning ADR to the Department of Administrative Services. The grant money was used to hire a temporary ADR coordinator who did a broad survey of whether such a program had potential to benefit the state. To date no state funds have been spent. If the program is to be continued, it would most likely move to the Division of Human Resource Management and would need a legislative appropriation of state funds.

Budget History - Administrative Services - Administrative Rules					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	271,700	272,200	279,700	285,500	295,500
General Fund, One-time	0	0	55,800	2,100	0
Dedicated Credits Revenue	0	0	0	57,200	0
Risk Management ISF	0	0	0	0	55,000
Beginning Nonlapsing	13,700	5,300	8,200	58,000	0
Closing Nonlapsing	(5,300)	(8,200)	(58,000)	(52,500)	0
Total	\$280,100	\$269,300	\$285,700	\$350,300	\$350,500
Programs					
DAR Administration	255,000	254,000	285,700	350,300	350,500
Rules Publishing	25,100	15,300	0	0	0
Total	\$280,100	\$269,300	\$285,700	\$350,300	\$350,500
Categories of Expenditure					
Personal Services	232,900	236,900	248,500	309,600	316,000
In-State Travel	200	0	0	0	0
Out of State Travel	1,200	0	3,300	5,100	3,000
Current Expense	24,800	19,100	17,000	20,600	17,600
DP Current Expense	21,000	13,300	16,900	15,000	13,900
Total	\$280,100	\$269,300	\$285,700	\$350,300	\$350,500
Other Data					
Budgeted FTE	4.3	4.3	4.0	4.0	4.0
Actual FTE	4.1	4.0	4.1	4.6	0.0

Table 6

CHAPTER 7 DIVISION OF FACILITIES CONSTRUCTION AND MANAGEMENT – ADMINISTRATION**Function**

The Division of Facilities Construction and Management (DFCM) is the building manager for all state owned facilities. The division is responsible for all aspects of construction for state buildings and assists the Building Board in developing its recommendations for capital development projects and in allocating capital improvement funds.

Statute (UCA 63A-5-104) defines “capital developments” as any of the following:

1. Remodeling, site, or utility projects with a total cost of \$1,500,000 or more
2. New facility with total construction cost of \$250,000 or more, regardless of funding source, or
3. Purchase of real property where an appropriation is requested

Statute defines “capital improvement” as any of the following:

1. Remodeling, alteration, replacement, repair, site, or utility improvement costing less than \$1,500,000
2. New facility with total construction cost less than \$250,000

As the State Building Manager, the Director of DFCM oversees the following activities:

- Construction of state buildings
- Space utilization studies
- Establishment of statewide space standards
- Agency and institution master planning
- Staff support for the State Building Board
- Lease administration

Statutory Authority

As described in UCA 63A-5-Part 2, DFCM, under the general powers of the director, has the following broad responsibilities:

- Exercise direct supervision over the design and construction of all new facilities, and all alterations, repairs, and improvements to existing facilities if the total project construction cost exceeds \$100,000 regardless of funding source. *Exceptions* are made for the Capitol Preservation Board, research parks at the University of Utah and Utah State University, This is the Place State Park, other agencies to whom the Building Board may delegate such control on a project by project basis, and donated buildings on donated land for higher education whose maintenance will not require state funds.

- Direct or delegate maintenance and operations, preventive maintenance, and facility inspection programs for any agency *except* the Capitol Preservation Board and institutions of higher education.
- Lease, in the name of the division, all real property space to be occupied by an agency.
- Evaluate each lease under the division's control to determine whether or not the lease is cost effective, sufficiently flexible, and competitive. *Exception:* The Board of Regents must establish its own written lease policies which must be followed by higher education institutions.
- Recommend rules to the executive director for use and management of facilities and grounds owned or occupied by the state for use of its departments and agencies.
- Supervise and control the allocation of space, in accordance with legislative directive, to the various state agencies. *Exceptions* are made for Capitol Hill facilities, legislative areas, judicial area, and public and higher education systems. In allocating space, the division must conduct studies to determine the actual needs of each agency.
- Acquire and hold title to, in the name of the division, all real property, buildings, fixtures, or appurtenances owned by the state. The division does not need legislative approval for acquisitions that cost less than \$250,000. *However*, the following agencies may hold title to any real property held by them:
 - Office of Trust Administrator
 - Department of Transportation
 - Division of Forestry, Fire and State Lands
 - Department of Natural Resources
 - Utah National Guard
 - Any vocational center or other State Board of Education institution
 - Any institution of higher learning
 - School and Institutional Trust Lands Administration
- Collect and maintain all deeds, abstracts of title, and all other documents showing title to or interest in property belonging to the state, *except* higher education institutions and SITLA.
- Enter into contracts for any work or professional services which the division or the State Building Board may require.
- Ensure that state-owned facilities, *except* Capitol Preservation Board facilities, are life cycle cost-effective. "Life cycle cost effective" is defined as the lowest cost of owning and operating a facility over a 25-year period.
- Submit cost summary data for capital development and improvement projects to the Office of the Legislative Fiscal Analyst.

- Notify local governments before constructing student housing on property owned by the state.
- Supervise the expenditure of funds in providing plans, engineering specifications, sites, and construction of buildings as authorized by the Legislature.
- Hold contingency and reserve funds set aside from construction projects.
- Use one percent of the amount appropriated for construction of any new building for the Utah Percent-for-Art program.
- Upon legislative approval, transfer \$100,000 annually from project reserves to the General Fund to pay for personal service expenses associated with the management of construction projects.

Funding Detail

During the 2002 General Session the Legislature shifted funding sources for DFCM Administration from the General Fund to the Project Reserve Fund, Contingency Reserve Fund and capital improvement funds. During the 2005 General Session the Legislature restored \$1.1M in General Funds, leaving \$2.2M funded by reserve funds and capital improvement funds.

- The Project Reserve Fund receives state funds resulting from construction bids coming in under the amount budgeted for construction. This fund also receives any residual funds left over in the project. This reserve may only be used by DFCM to award construction bids that exceed the amount budgeted. However, the Legislature retains the right to make appropriations from the fund for other building needs, including the cost of administration.
- The Contingency Reserve Fund receives state funds budgeted for contingencies. The amount budgeted is based on a sliding scale percentage of the construction cost which ranges from 4.5 percent to 6.5 percent for new construction, and from 6 percent to 9.5 percent for remodeling projects, depending on the size and complexity of the project. The Contingency Reserve is used to fund all unforeseen project costs, except the award of construction bids that exceed the construction budget. The primary use of this reserve is to fund construction change orders. Other uses include covering actual costs which exceed amounts budgeted for design, testing services, soils investigations, surveys, and construction insurance. The Legislature may re-appropriate these funds to other building needs, including administrative costs, in any amount that is determined to be in excess of the reserve required to meet future contingency needs (see UCA 63A-5-209).

[Table 7](#) summarizes funding for the [seven](#) programs in this line item.

Budget History - Administrative Services - DFCM Administration Line Item Total					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,806,700	81,300	81,300	81,300	1,198,300
General Fund, One-time	0	0	0	150,000	0
Dedicated Credits Revenue	154,300	598,300	1,115,700	0	0
Dedicated Credits - Intragvt Rev	428,100	0	0	0	0
Transfers	100,000	0	0	0	0
Capital Project Fund	0	3,086,600	966,900	3,956,700	1,638,100
Project Reserve Fund	200,000	0	1,699,500	0	200,000
Contingency Reserve Fund	0	0	0	0	1,180,200
Beginning Nonlapsing	700	0	0	0	0
Lapsing Balance	(12,200)	(223,400)	(62,500)	(161,100)	0
Total	\$3,677,600	\$3,542,800	\$3,800,900	\$4,026,900	\$4,216,600
Programs					
DFCM Administration	2,986,900	2,863,200	3,090,900	3,266,000	3,363,300
Governor's Mansion	27,000	0	0	0	0
Preventive Maintenance	154,300	170,200	153,500	176,000	157,200
Governor's Residence	81,300	81,300	81,300	81,300	101,300
DFCM HazMat	0	0	80,200	81,400	96,700
Roofing and Paving	428,100	428,100	395,000	422,200	498,100
Total	\$3,677,600	\$3,542,800	\$3,800,900	\$4,026,900	\$4,216,600
Categories of Expenditure					
Personal Services	2,990,300	2,926,500	3,071,900	3,197,300	3,367,300
In-State Travel	52,200	56,100	77,000	63,700	84,100
Out of State Travel	15,400	10,300	8,800	8,700	20,200
Current Expense	356,200	335,400	387,700	342,200	445,700
DP Current Expense	257,900	202,600	249,300	265,000	299,300
DP Capital Outlay	0	6,300	6,200	0	0
Capital Outlay	0	5,600	0	0	0
Other Charges/Pass Thru	5,600	0	0	150,000	0
Total	\$3,677,600	\$3,542,800	\$3,800,900	\$4,026,900	\$4,216,600
Other Data					
Budgeted FTE	46.3	46.3	44.0	42.0	44.0
Actual FTE	42.5	40.7	41.8	41.1	0.0
Vehicles	8	9	9	9	9

Table 7

PROGRAMS – DFCM ADMINISTRATION**ADMINISTRATION****Function**

This program administers the development of state-owned facilities for all state entities from the initial request through completion of construction and resolution of warranty items. This includes management of capital development and improvement projects for all state entities including higher education and state-level entities within public education. This program contracts with private architects, engineers, and contractors to accomplish its work. Funding for capital projects is provided separately.

This program also handles all real property transactions for most state entities except those exempted by statute. This includes leasing, acquisitions, and dispositions. This program works with other agencies to provide financing for state facilities. This program also provides general administrative support for the division.

Intent Language

In the 2005 General Session the Legislature appropriated \$150,000 in one-time supplemental funds to contract for a feasibility study on relocating the State Prison in Draper. Results of the study are still pending. The Legislature made the appropriation nonlapsing and passed intent language in S.B. 1:

It is the intent of the Legislature that the Department spend this money to conduct a feasibility study to determine whether or not to move the state prison at Draper to another location. It is also the intent of the Legislature that the Department, in expending the money to conduct the feasibility study, ensure that the process: allows substantial opportunity for public review and comment; gives due consideration to those public comments and recommendations in the preparations and final recommendations of the study; allows opportunities for all interested parties to submit written comments on any draft Request for Proposals; includes public hearings on the draft report and recommendations in each community affected by the recommendations contained in the draft report; and allows opportunities for interested parties to submit oral or written comments to the draft report at those public hearings.

Accountability

The Project Reserve Fund and Contingency Reserve Fund are used to ensure projects are completed successfully. Year-end balances are an indication of DFCM's accuracy in estimating and managing project costs. Excess balances have been used to fund all or part of projects and administrative costs in past years. In the 2005 General Session, for example, the Legislature used contingency reserve funds to construct the DNR Fire Management Center and the Courts Provo Land Purchase. These funds are also currently being used to fund \$1.4M of DFCM's administrative costs.

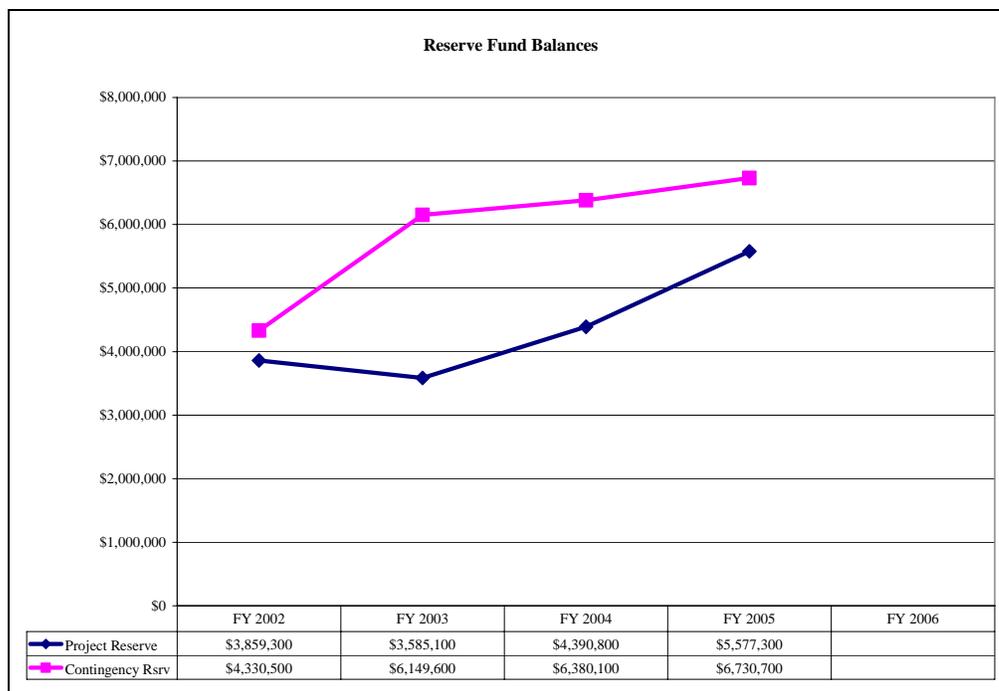


Figure 10

Measure: Fiscal year-end balances in the Project Reserve Fund and Contingency Reserve Fund.

Goal: Maintain a positive balance sufficient to ensure successful completion of projects, without accruing excessive balances which may indicate overestimation of project costs.

Methodology: Displays fiscal year end closing balances.

Measure: Outcome.

Note: The fact that this money is available is a testament to DFCM’s management over the last four years. Balances accrue in these funds only when projects come in under budget or when bids are lower than expected. However, using reserve funds for division administration also creates an incentive (perceived or actual) to overestimate project costs in order to preserve a balance in these funds. The current hyper-inflated construction climate may impact reserve amounts as much as DFCM management.

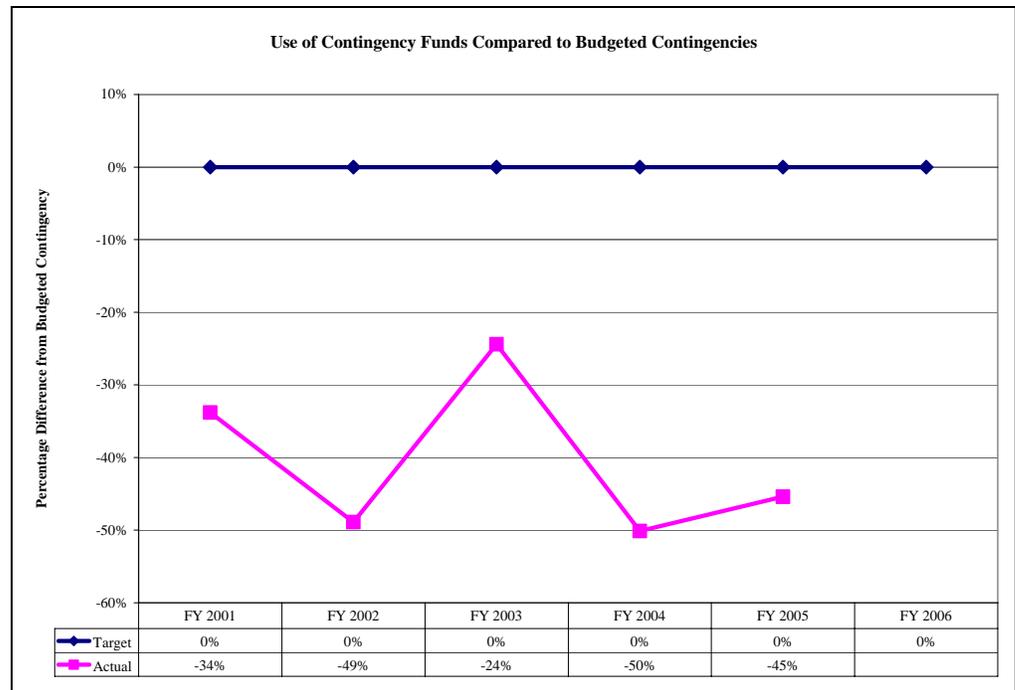


Figure 11

Measure: Use of contingency funds compared to budgeted contingencies.

Goal: Budget for and manage projects such that contingency funds are adequate to ensure project completion without accruing an excessive balance.

Methodology: This measure shows the percentage difference between budgeted contingency reserves (as guided by statute) and their actual usage. Negative numbers indicate funds used were less than budgeted.

Measure: Outcome.

Note: The results shown above are dramatically different than the results prior to FY 2000. In FY 1997, for example, actual fund usage was seventy percent higher than budgeted. This is an indication that DFCM is managing its projects well.

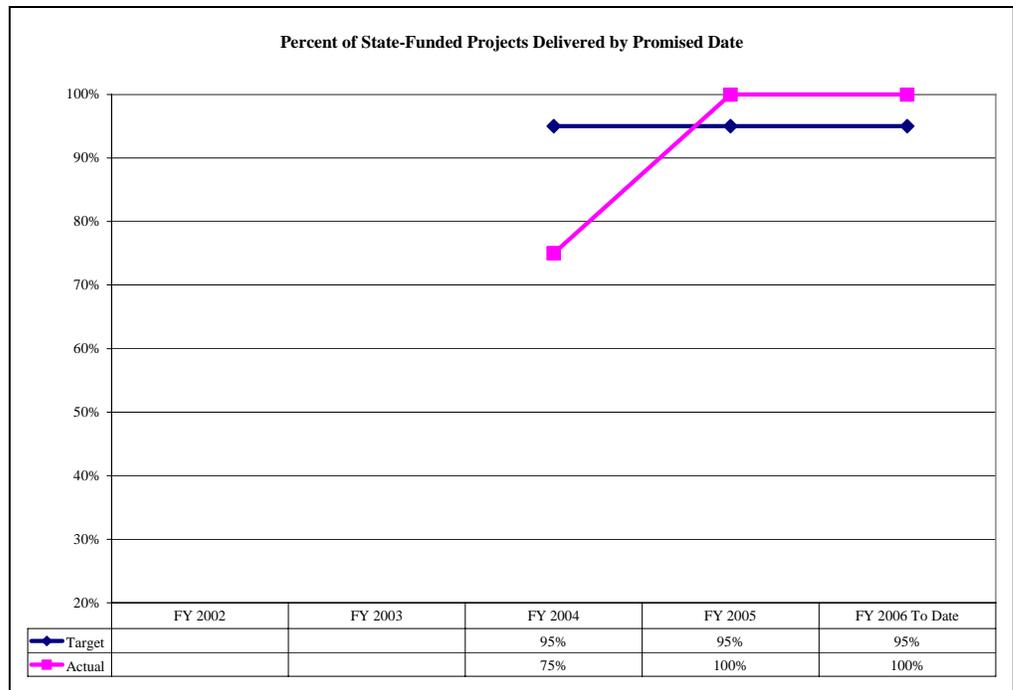


Figure 12

Measure: Percentage of state-funded projects delivered by promised date.

Goal: Deliver ninety five percent of state-funded capital development projects by the promised completion date.

Methodology: Number of projects completed by promised date, divided by total number of projects.

Measure: Outcome.

Note: These data indicate that DFCM is completing its projects by the promised date in most instances. In FY 2004 three buildings were not delivered by the promised date; two were only one month late and the other was three months late. Since FY 2004 all projects have been completed on or before their target completion dates.

Funding Detail

The Legislature eliminated all General Funds from this program after FY 2002, and then restored \$1.1M General Funds in FY 2006. One-time General Funds in FY 2005 represent a supplemental appropriation for the prison relocation study. Dedicated Credits used in FY 2004 were Capital Improvement Funds. “Capital Project Fund” in FY 2005 represents Capital Improvement Funds, Project Reserve Funds, and Contingency Reserve Funds. These are broken out in FY 2006 forward.

The 2005 Legislature also moved the Computer Aided Design (CAD) program from the DFCM ISF budget to the appropriated budget. Numbers in the “2006 Appropriated” column below include \$124,000 from the Capital Project Fund and two FTE transferred from the ISF as a result of the CAD program move.

Budget History - Administrative Services - DFCM Administration					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,698,400	0	0	0	1,097,000
General Fund, One-time	0	0	0	150,000	0
Dedicated Credits Revenue	0	0	487,000	0	0
Transfers	100,000	0	0	0	0
Capital Project Fund	0	3,086,600	966,900	3,221,900	886,100
Project Reserve Fund	200,000	0	1,699,500	0	200,000
Contingency Reserve Fund	0	0	0	0	1,180,200
Beginning Nonlapsing	700	0	0	0	0
Lapsing Balance	(12,200)	(223,400)	(62,500)	(105,900)	0
Total	\$2,986,900	\$2,863,200	\$3,090,900	\$3,266,000	\$3,363,300
Categories of Expenditure					
Personal Services	2,545,000	2,456,200	2,582,000	2,643,900	2,812,100
In-State Travel	43,900	47,700	61,400	49,600	62,000
Out of State Travel	8,800	6,300	8,800	7,400	10,900
Current Expense	141,200	149,100	189,500	160,700	186,700
DP Current Expense	248,000	197,600	243,000	254,400	291,600
DP Capital Outlay	0	6,300	6,200	0	0
Other Charges/Pass Thru	0	0	0	150,000	0
Total	\$2,986,900	\$2,863,200	\$3,090,900	\$3,266,000	\$3,363,300
Other Data					
Budgeted FTE	38.0	38.0	35.0	34.0	36.0
Actual FTE	36.1	32.1	32.3	33.0	0.0
Vehicles	3	3	2	2	2

Table 8

PREVENTIVE MAINTENANCE

Function Preventive Maintenance includes those functions that prolong the life cycle of mechanical equipment, electrical systems, roofs, floors, and other safety systems. The division has responsibility to ensure that all state owned facilities are on a preventive maintenance schedule. The program oversees Facility Condition Assessments and manages the Facility Audit program.

Facility Condition Assessments measure physical building needs Facility Condition Assessments (FCAs) provide information on repair and improvement of state facilities. The state owns about 41.8 million square feet of space. To date, DFCM has had approximately 31 million square feet assessed by ISES Corporation. Approximately 6.6 million square feet of auxiliary space and 4.2 million square feet of small building will not be assessed under the current program. The program calls for all significant state-owned buildings to be reassessed on a five-year cycle. Approximately eighty-five percent of capital improvement funding is driven by the FCA program.

Facility Audits measure maintenance programs Facility Audits measure progress on routine maintenance issues. As originally designed, the program measured the process of maintaining a facility with little or no regard to physical condition. Once agencies learned how to better comply with maintenance standards DFCM began to add building condition to the scoring criteria. The logic is that the beginning point for any maintenance program is to set a standard. Once an agency achieves a sustainable level of performance they will begin to show the building in better shape.

Funding Detail This program is funded entirely from Capital Improvement Funds (shown as Dedicated Credits prior to FY 2005 and as Capital Project Funds in FY 2005 and FY 2006).

Budget History - Administrative Services - DFCM Administration - Preventive Maintenance					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	154,300	170,200	153,500	0	0
Capital Project Fund	0	0	0	176,000	157,200
Total	\$154,300	\$170,200	\$153,500	\$176,000	\$157,200
Categories of Expenditure					
Personal Services	116,900	141,900	124,200	134,700	129,500
In-State Travel	3,000	3,100	5,500	7,600	5,400
Out of State Travel	4,500	1,900	0	0	0
Current Expense	22,000	20,300	21,300	24,400	19,900
DP Current Expense	7,900	3,000	2,500	9,300	2,400
Total	\$154,300	\$170,200	\$153,500	\$176,000	\$157,200
Other Data					
Budgeted FTE	2.0	2.0	2.0	2.0	2.0
Actual FTE	2.0	3.4	2.6	2.0	0.0
Vehicles	1	2	2	2	2

Table 9

GOVERNOR’S RESIDENCE

Function This program funds security and other costs associated with maintaining the Mansion as a ceremonial gathering place. Actual costs of maintaining the residence are funded through a separate budget.

Funding Detail During the 2005 General Session the Legislature added \$20,000 to this program in order to cover increased costs associated with the governor’s family using the residence. There are no personal services costs in this program, though some contract personnel may be used. Aside from Administration, this is the only program in the line item that has a General Fund base appropriation.

Budget History - Administrative Services - DFCM Administration - Governor's Residence					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	81,300	81,300	81,300	81,300	101,300
Total	\$81,300	\$81,300	\$81,300	\$81,300	\$101,300
Categories of Expenditure					
Current Expense	81,300	81,300	81,300	81,300	101,300
Total	\$81,300	\$81,300	\$81,300	\$81,300	\$101,300

Table 10

DFCM HAZMAT

Function This program funds DFCM’s and the Building Board’s prioritized hazardous material abatement needs in conjunction with agencies.

Funding Detail Until Fiscal Year 2004 this program was funded in the internal service fund. The program receives money from Capital Improvement Funds. Utah Correctional Industries provides a source of low-cost labor.

Budget History - Administrative Services - DFCM Administration - DFCM HazMat					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	0	0	80,200	0	0
Capital Project Fund	0	0	0	94,500	96,700
Lapsing Balance	0	0	0	(13,100)	0
Total	\$0	\$0	\$80,200	\$81,400	\$96,700
Categories of Expenditure					
Personal Services	0	0	64,000	69,000	67,700
In-State Travel	0	0	2,500	900	4,000
Out of State Travel	0	0	0	0	1,700
Current Expense	0	0	13,700	11,500	22,000
Total	\$0	\$0	\$80,200	\$81,400	\$96,700
Other Data					
Budgeted FTE	0.0	0.0	1.0	1.0	1.0
Actual FTE	0.0	0.0	1.1	1.0	0.0
Vehicles	0	0	1	1	1

Table 11

ROOFING AND PAVING

Function The roofing and paving program began in FY 1998 as a means to improve the life cycle of state facilities. In addition to inspections, repairs, and maintenance, the program is responsible for identifying, specifying, and managing all roofing and paving projects.

This program was initiated to address the following issues:

- The state’s roofs and parking lots were failing prematurely, resulting in early replacement
- Inspections for new and replacement construction were not being conducted consistently or timely
- The Utah Correctional Industries roofing repair program was underutilized and needed more projects

Funding Detail In prior years, management of this program came through the internal service fund program within DFCM even though funding came from capital improvements. The division’s 2002 reorganization moved this program under

the capital improvements director. It is still funded with capital improvement monies.

Budget History - Administrative Services - DFCM Administration - Roofing and Paving					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	0	428,100	395,000	0	0
Dedicated Credits - Intragvt Rev	428,100	0	0	0	0
Capital Project Fund	0	0	0	464,300	498,100
Lapsing Balance	0	0	0	(42,100)	0
Total	\$428,100	\$428,100	\$395,000	\$422,200	\$498,100
Categories of Expenditure					
Personal Services	328,400	328,400	301,700	349,700	358,000
In-State Travel	5,300	5,300	7,600	5,600	12,700
Out of State Travel	2,100	2,100	0	1,300	7,600
Current Expense	84,700	84,700	81,900	64,300	115,800
DP Current Expense	2,000	2,000	3,800	1,300	4,000
Capital Outlay	0	5,600	0	0	0
Total	\$428,100	\$428,100	\$395,000	\$422,200	\$498,100
Other Data					
Budgeted FTE	6.3	6.3	6.0	5.0	5.0
Actual FTE	4.4	5.2	5.8	5.1	0.0
Vehicles	4	4	4	4	4

Table 12

CHAPTER 8 DIVISION OF STATE ARCHIVES**Function**

The Utah State Archives is the repository for official records of the state and its political subdivisions. The division serves state government and the public by managing records created by the legislative, judicial, and executive branches. Records created by government agencies are divided into record series, or documents of like purpose, that reflect the various functions of the agency.

The Division of Archives is the official custodian of all non-current public records of permanent value that are not required by law to remain in the custody of the agency of origin.

The State Archives building is located at 346 S. Rio Grande, Salt Lake City. This location contains the administrative offices, archival records, and research room. The former location on Capitol Hill is currently vacant and is scheduled for demolition in March, 2005 as part of the Capitol campus renovation.

The State Records Center is located at 2341 S. 2300 W., Salt Lake City. This location warehouses governmental records for all state and local agencies.

Statutory Authority

UCA 63-2-901 defines the duties of the Division of Archives and Records Service:

- Administer the state's archives and records management programs, including storage of records, central microphotography programs, and quality control.
- Apply fair, efficient and economical management methods.
- Establish standards, procedures and techniques for best management of records.
- Conduct surveys of office operations and recommend improvements in current records management practices.
- Establish schedules for storing and disposing of records.
- Establish, maintain, and operate centralized microphotography lab facilities and quality control for the state.
- Develop training programs to assist records officers and other interested officers of governmental entities.
- Follow directions from the executive director of the department.
- Provide access to public records deposited in the archives.

UCA 63-2-902 requires the state archivist to be qualified by archival training, education and experience. Further, the archivist is charged with custody of important documents, some of which are:

- Enrolled copy of the state constitution.

- Acts and resolutions passed by the Legislature.
- Journals of the Legislature.
- Indian War records.

UCA 63-2-906 requires State Archives to furnish certified copies of a record in its exclusive custody that is classified “public.”

UCA 63-2-909 requires any record to be presumed “public” 75 years after its creation, except a record that contains information about an individual 21 years old or younger must wait 100 years.

Funding Detail

The following table summarizes funding for the five programs in this line item. One time funds were appropriated in **FY 2006** to digitize archived records for increased protection and public access.

Budget History - Administrative Services - State Archives					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,986,700	2,000,400	1,868,800	2,011,400	2,092,500
General Fund, One-time	0	0	5,500	14,000	108,700
Federal Funds	0	0	0	0	4,500
Dedicated Credits Revenue	21,900	39,600	34,100	31,200	42,100
Risk Management ISF	0	0	0	0	10,900
Beginning Nonlapsing	63,100	7,400	65,400	23,800	0
Closing Nonlapsing	(7,400)	(65,400)	(23,800)	(44,700)	0
Lapsing Balance	0	(8,300)	0	0	0
Total	\$2,064,300	\$1,973,700	\$1,950,000	\$2,035,700	\$2,258,700
Programs					
Archives Administration	556,800	529,400	438,200	555,300	551,000
Records Analysis	322,800	269,700	324,000	312,900	361,700
Preservation Services	296,900	298,300	293,700	303,600	424,900
Patron Services	387,700	369,400	474,600	341,900	393,400
Records Services	500,100	506,900	419,500	522,000	527,700
Total	\$2,064,300	\$1,973,700	\$1,950,000	\$2,035,700	\$2,258,700
Categories of Expenditure					
Personal Services	1,452,800	1,353,300	1,324,500	1,441,400	1,430,000
In-State Travel	4,700	7,500	5,600	4,900	5,100
Out of State Travel	8,200	3,800	4,400	5,400	8,200
Current Expense	426,600	384,700	447,300	430,600	587,400
DP Current Expense	169,100	130,000	137,200	153,400	137,300
Capital Outlay	0	91,700	30,500	0	83,700
Other Charges/Pass Thru	2,900	2,700	500	0	7,000
Total	\$2,064,300	\$1,973,700	\$1,950,000	\$2,035,700	\$2,258,700
Other Data					
Budgeted FTE	33.0	32.0	30.0	28.0	28.0
Actual FTE	31.8	29.3	29.3	30.4	0.0
Vehicles	1	1	1	1	1

Table 13

PROGRAMS – DIVISION OF STATE ARCHIVES

ADMINISTRATION

Function This program provides management, strategic planning, organizational development and public relations for the division. This program develops the state’s system for records management and storage. This program is responsible for budget and accounting procedures. The director of Archives is the governor’s representative on the State Records Committee Board.

Intent Language During the 2005 General Session the Legislature adopted the following intent language in [House Bill 1](#):

It is the intent of the Legislature that funds for State Archives shall not lapse and that those funds shall be used to digitize and microfilm documents generated by former Utah governors for preservation and access.

Funding Detail Funding increases in FY 2005 compared to FY 2004 reflect internal departmental reallocations to fund \$94,800 in operations and maintenance costs associated with the new Archives facility.

Budget History - Administrative Services - State Archives - Archives Administration					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	501,100	530,300	460,600	574,700	546,500
General Fund, One-time	0	0	1,400	1,500	0
Federal Funds	0	0	0	0	4,500
Beginning Nonlapsing	63,100	7,400	0	23,800	0
Closing Nonlapsing	(7,400)	0	(23,800)	(44,700)	0
Lapsing Balance	0	(8,300)	0	0	0
Total	\$556,800	\$529,400	\$438,200	\$555,300	\$551,000
Categories of Expenditure					
Personal Services	293,200	230,200	189,600	232,400	210,200
In-State Travel	2,900	7,200	5,600	4,900	5,100
Out of State Travel	5,400	3,800	4,400	5,400	8,200
Current Expense	86,200	66,300	70,900	159,200	188,200
DP Current Expense	169,100	127,500	137,200	153,400	137,300
Capital Outlay	0	91,700	30,500	0	0
Other Charges/Pass Thru	0	2,700	0	0	2,000
Total	\$556,800	\$529,400	\$438,200	\$555,300	\$551,000
Other Data					
Budgeted FTE	5.0	4.0	4.0	3.0	3.0
Actual FTE	4.8	3.5	2.9	3.4	0.0
Vehicles	1	1	1	1	1

Table 14

RECORDS ANALYSIS

Function

The Records Analysis section provides consulting services to state agencies in the management of their records. This responsibility includes retention scheduling, freedom of information and privacy classification, staffing of the State Records Committee, and records and information management training.

Accountability

The division assists Utah agencies in the efficient management of their records. Records Officers and others in state and local governmental entities need assistance and training in their statutory responsibilities and in the most efficient means to accomplish their duties. The Records Analysis program is mandated to promote efficient records management of government records in all government agencies.

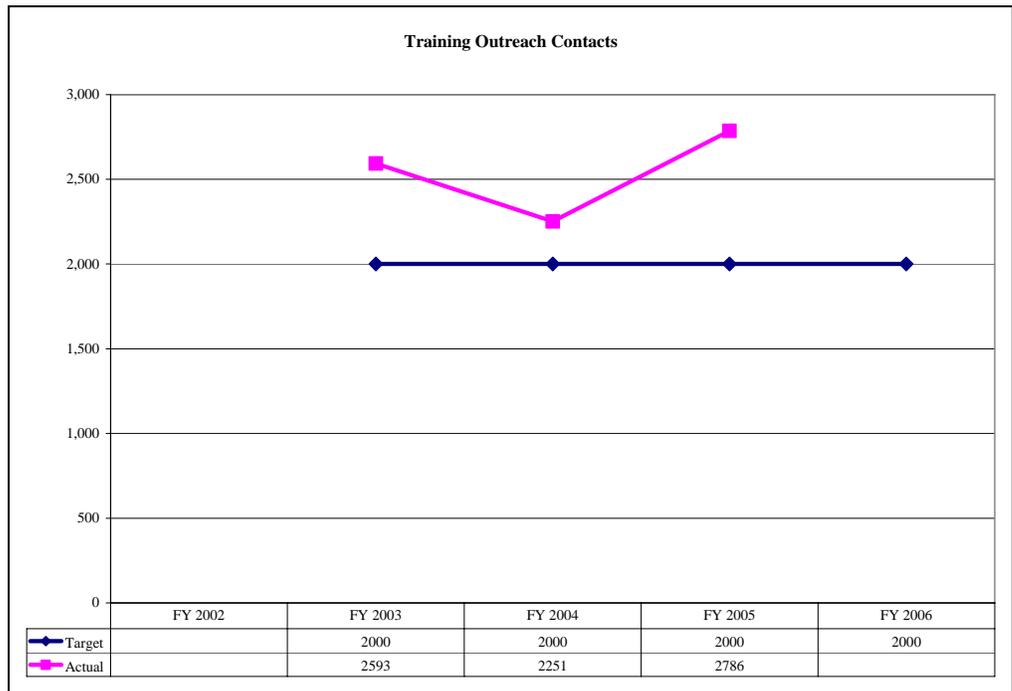


Figure 13

Measure: Training outreach contacts (individuals provided with training and assistance).

Goal: To promote effective and efficient management of government records. Ties to UCA 63-2-901(2)(d) and (h).

Methodology: Number of Records Officers and others trained through field services and training workshops.

Measure Type: Output.

Note: Archives needs to continue to increase the number of individuals trained in a timely manner, including new agency records officers, and also because of enacted changes to GRAMA. The training and field services are a direct customer service benefit and increase the state’s ability to manage its governmental records.

Funding Detail

All revenues come from the General Fund.

Budget History - Administrative Services - State Archives - Records Analysis					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	322,800	269,700	322,700	309,800	361,700
General Fund, One-time	0	0	1,300	3,100	0
Total	\$322,800	\$269,700	\$324,000	\$312,900	\$361,700
Categories of Expenditure					
Personal Services	316,200	267,400	276,100	312,900	350,100
In-State Travel	1,300	200	0	0	0
Out of State Travel	1,700	0	0	0	0
Current Expense	700	2,100	47,400	0	6,600
Other Charges/Pass Thru	2,900	0	500	0	5,000
Total	\$322,800	\$269,700	\$324,000	\$312,900	\$361,700
Other Data					
Budgeted FTE	7.0	7.0	7.0	6.0	6.0
Actual FTE	6.3	5.2	5.3	5.8	0.0

Table 15

PRESERVATION SERVICES

Function

This program is responsible for providing microfilming services to state agencies and quality assurance to agencies that possess their own microfilm cameras. Consulting services are provided to all state agencies for their microfilming needs.

Items sold by State Archives primarily include microfilming and duplication of microfilm records. Costs charged represent the actual costs of State Archives in providing these services.

Accountability

The workload in this program is primarily microfilming records at high quality standards.

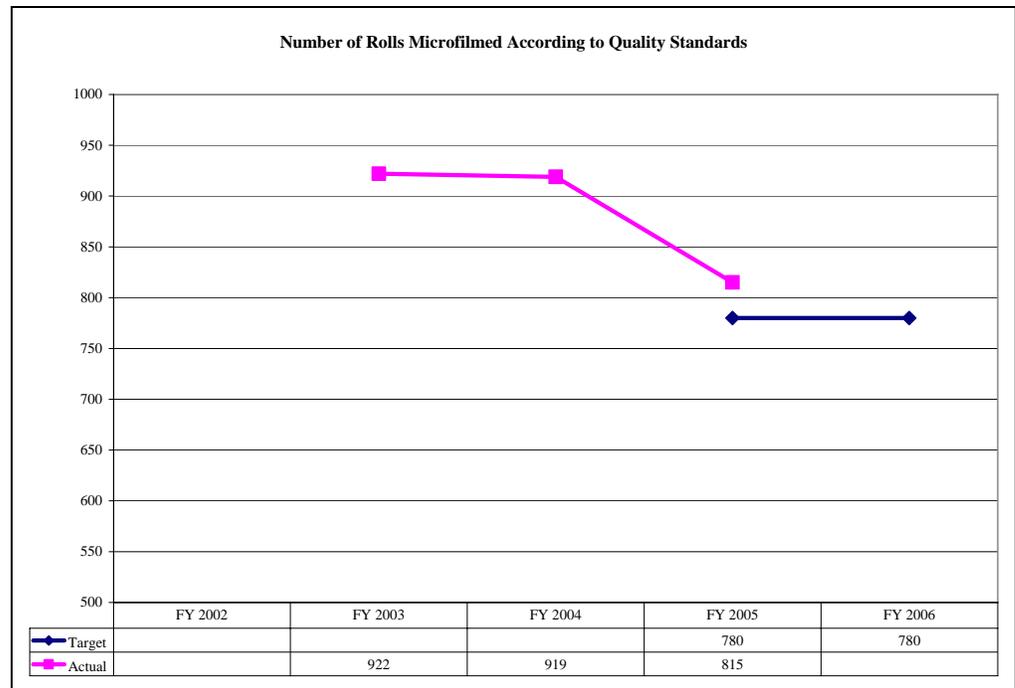


Figure 14

Measure: Number of rolls microfilmed according to quality standards.

Goal: Preservation of historic records. Ties to UCA 63-2-901(2)(f) and UCA 63-2-906(2).

Methodology: Count of rolls of microfilm made during the fiscal year.

Measure Type: Output.

Note: The division exceeded its target in FY 2005 by four percent.

Funding Detail

In the 2005 General Session the Legislature added \$119,600 in one-time funds (General Funds and a transfer from the Risk Management ISF’s contributed capital) to this program to help digitize collections in order to better preserve original records and make them more accessible to the public. Dedicated Credits come primarily from sales of copies of microfilmed records.

Budget History - Administrative Services - State Archives - Preservation Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	280,700	292,800	239,600	272,300	269,100
General Fund, One-time	0	0	700	2,800	108,700
Dedicated Credits Revenue	16,200	32,400	26,500	28,500	36,200
Risk Management ISF	0	0	0	0	10,900
Beginning Nonlapsing	0	0	26,900	0	0
Closing Nonlapsing	0	(26,900)	0	0	0
Total	\$296,900	\$298,300	\$293,700	\$303,600	\$424,900
Categories of Expenditure					
Personal Services	242,300	265,300	276,700	282,900	256,600
In-State Travel	500	100	0	0	0
Current Expense	54,100	32,900	17,000	20,700	84,600
Capital Outlay	0	0	0	0	83,700
Total	\$296,900	\$298,300	\$293,700	\$303,600	\$424,900
Other Data					
Budgeted FTE	7.0	7.0	6.0	6.0	6.0
Actual FTE	6.7	7.5	7.6	7.6	0.0

Table 16

PATRON SERVICES

Function

This program is responsible for providing access to all records managed by the division. Staff develops "finding aids" to make existing materials more accessible to researchers. This program creates inventories, guides and indexes, and describes and catalogs important and historically valuable record collections. It also manages the permanent collection in the new Archives repository. Items sold by State Archives include copies of such records as divorce decrees and military discharge records. Both the general public and state agencies access records from archives.

Accountability

The division is required to (1) acquire and preserve historical records and (2) provide access to historical records. The division holds these records in the public trust, and the patron services program assists patrons in their research efforts (access to records).

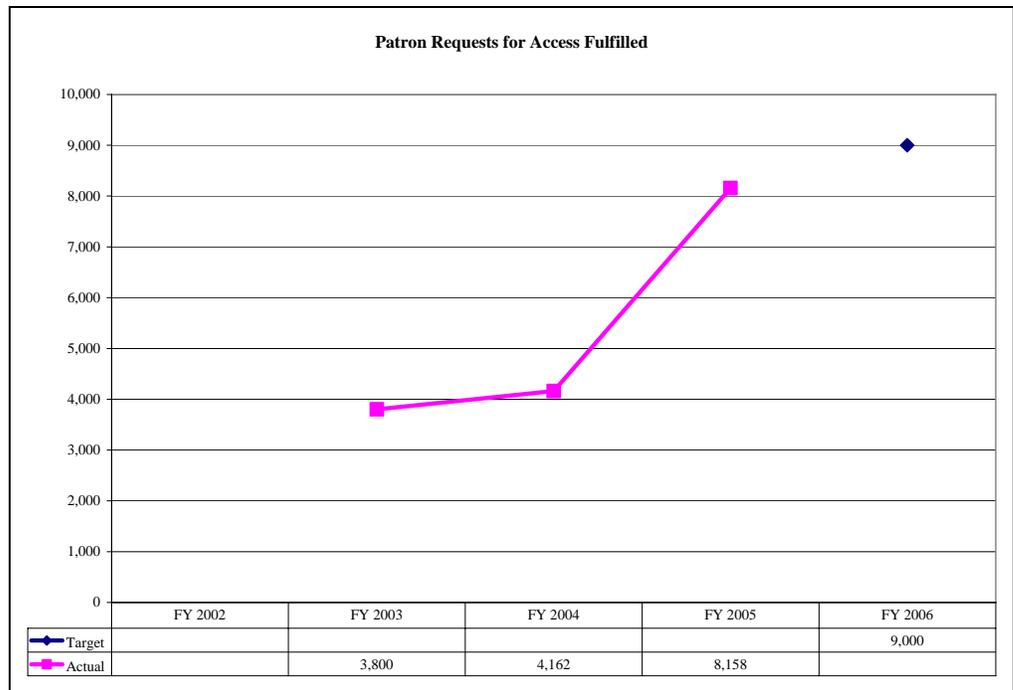


Figure 15

Measure: Patron requests for access fulfilled in a thorough and accurate manner.

Goal: Patron requests met within applicable timeframes (same day service for walk-ins and telephone requests, within a week for correspondence requests) and adequate thoroughness (meeting request scope and/or referral to appropriate institution).

Methodology: Number of walk-in, telephone, email and mail patron requests fulfilled within goal parameters.

Measure Type: Output.

Note: The new (January 2005) Utah History Research Center has provided for increased services and opportunities to patrons and will continue to do so.

Funding Detail

Dedicated Credits in this program are the result of sales of copies of archived records.

Budget History - Administrative Services - State Archives - Patron Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	382,000	400,700	427,700	335,600	387,500
General Fund, One-time	0	0	800	3,600	0
Dedicated Credits Revenue	5,700	7,200	7,600	2,700	5,900
Beginning Nonlapsing	0	0	38,500	0	0
Closing Nonlapsing	0	(38,500)	0	0	0
Total	\$387,700	\$369,400	\$474,600	\$341,900	\$393,400
Categories of Expenditure					
Personal Services	369,600	363,500	374,300	384,800	377,700
Out of State Travel	1,100	0	0	0	0
Current Expense	17,000	5,900	100,300	(42,900)	15,700
Total	\$387,700	\$369,400	\$474,600	\$341,900	\$393,400
Other Data					
Budgeted FTE	5.0	5.0	7.0	7.0	7.0
Actual FTE	7.3	7.4	7.9	7.7	0.0

Table 17

RECORDS SERVICES

Function

Storage of records is a key factor in managing the State Archives. The Records Services program is responsible for the storing and retrieving of records at the State Records Center for state and local government agencies, destroying records that have met their retention period and administering the permanent storage of state historical records.

Accountability

An important part of managing stored records for government agencies is timely destruction of records that are not considered historical.

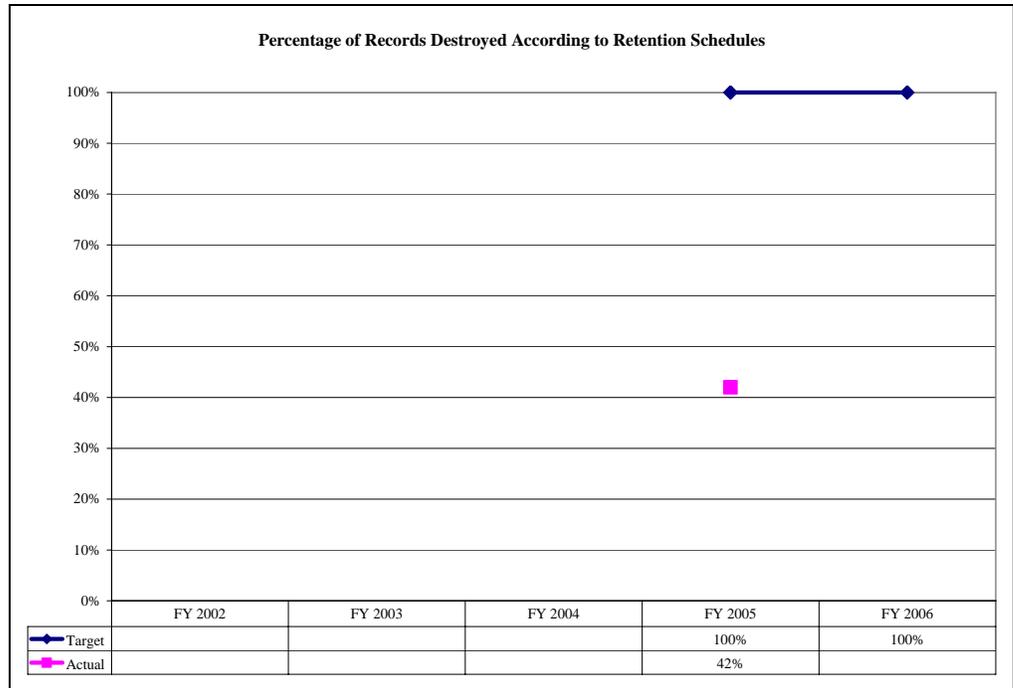


Figure 16

Measure: Percentage of records destroyed as per retentions.

Goal: To promote efficient management of government records. Ties to UCA 63-2-901(2)(a), (b) and (e).

Methodology: Number of records destroyed on schedule, divided by total number of records scheduled for destruction.

Measure Type: Output.

Note: This is the only measure where the division is not meeting its target. The division halted destructions for several months when it became clear that an improved inventory was needed for 120,000 boxes, some of which were mislabeled or otherwise not clear on their contents. The division recently finished the inventory and resumed destroying outdated documents.

Funding Detail

All financing comes from the General Fund.

Budget History - Administrative Services - State Archives - Records Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	500,100	506,900	418,200	519,000	527,700
General Fund, One-time	0	0	1,300	3,000	0
Total	\$500,100	\$506,900	\$419,500	\$522,000	\$527,700
Categories of Expenditure					
Personal Services	231,500	226,900	207,800	228,400	235,400
Current Expense	268,600	277,500	211,700	293,600	292,300
DP Current Expense	0	2,500	0	0	0
Total	\$500,100	\$506,900	\$419,500	\$522,000	\$527,700
Other Data					
Budgeted FTE	9.0	9.0	6.0	6.0	6.0
Actual FTE	6.7	5.9	5.6	5.9	0.0

Table 18

CHAPTER 9 DIVISION OF FINANCE – ADMINISTRATION**Function**

The Division of Finance is the State of Utah's central financial accounting office. The division provides direction regarding fiscal matters, financial systems, processes and information. This includes maintaining accounting and payroll systems; ensuring compliance with state financial laws; maintaining a data warehouse of financial information; producing the state's financial reports; processing the state's payments; and operating the state's travel agency.

The Division of Finance is divided into five programs (Accounts Payable, Financial Reporting, Financial Information Systems, Payroll, and Technical Services) to accomplish its mission. Some of its key functions are to:

- Produce the State's Comprehensive Annual Financial Report
- Ensure compliance with generally accepted accounting principles
- Pay all bills to vendors/contractors and issue payroll checks
- Develop, operate, and maintain accounting systems to control spending, state assets and state loans
- Process the state's payroll
- Account for revenues collected by all agencies

Statutory Authority

The following are some of the many statutes governing operations of the Division of Finance:

UCA 51-5-2 requires the division to establish procedures for the administration and collection of taxes, licenses, fees, and other revenues to allow them to be credited directly into the funds for which they are designated.

UCA 51-5-6 requires the division to use generally accepted accounting principles applicable to government units. The division must follow GASB standards, calculate liabilities associated with post-employment benefits, post revenues to the appropriate funds, prepare revenue and expenditure statements, and determine ISF costs that are eligible for federal reimbursement.

UCA 63A Chapter 3 is entitled "Division of Finance." Among its key provisions are:

- The division director is the state's chief fiscal officer and the state's accounting officer.
- The division must define fiscal procedures, provide accounting controls, approve proposed expenditures, establish procedures to account for leases, and prepare financial reports for the state auditor's examination. Higher Education institutions are subject to this statute only to the extent required by the Board of Regents.

- The director must establish per diem rates for all state officers and employees of the executive branch, except higher education.
- The director must adopt rules governing in-state and out-of-state travel by employees of the executive branch, except higher education.
- The director must appoint an accounting officer and other officers necessary to economically perform the functions of the division. The director must also establish a comprehensive state accounting system and exercise accounting control over all state agencies except higher education.
- The director must maintain a financial control system according to generally accepted accounting principles, to include keeping accounts in balance and giving the governor and legislature reports.
- The division must collect accounts receivable as described in UCA 63A-3-Part 3.

UCA 63-38-2.5 requires the division to make transfers out of any state surplus at the end of a fiscal year to the Rainy Day Fund.

UCA 77-32-401 creates within the division the Indigent Defense Funds Board to oversee the use of funds from the Indigent Inmate Trust Fund and Indigent Capital Defense Trust Fund.

Intent Language

During the 2005 General Session the Legislature adopted the following language in H.B. 1:

It is the intent of the Legislature that funds for the Division of Finance shall not lapse and that those funds shall be used for maintenance, operation, and development of statewide accounting systems.

Funding Detail

Table 19 (next page) is a roll-up of funding for the programs in this line item. Higher than expected amounts in the GFR – ISF Overhead financing source in FY 2002 are present because of a transfer of \$1,936,100 from the Risk Management Internal Service Fund’s retained earnings to help upgrade the payroll computer system (see Table 21).

Budget History - Administrative Services - Finance Administration					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	6,075,900	5,906,000	6,100,800	5,992,500	6,293,000
General Fund, One-time	0	0	2,841,700	88,100	0
Transportation Fund	450,000	450,000	450,000	450,000	450,000
Dedicated Credits Revenue	1,339,100	1,905,500	1,980,400	2,049,600	1,745,000
GFR - ISF Overhead	3,419,400	1,489,500	1,490,000	1,272,400	1,272,400
Pass-through	0	7,500	0	0	0
Beginning Nonlapsing	2,026,400	2,676,200	2,151,400	5,583,900	3,001,500
Closing Nonlapsing	(2,676,200)	(2,151,400)	(5,583,900)	(5,348,900)	(737,500)
Lapsing Balance	0	0	(2,700)	0	0
Total	\$10,634,600	\$10,283,300	\$9,427,700	\$10,087,600	\$12,024,400
Programs					
Finance Director's Office	317,100	323,300	332,900	330,200	361,400
Payroll	3,610,700	3,345,700	1,767,900	1,160,700	1,589,600
Payables/Disbursing	1,626,900	1,970,100	1,997,900	2,093,300	2,131,800
Technical Services	1,238,100	1,130,500	1,409,700	1,355,200	1,889,800
Financial Reporting	1,197,600	1,196,200	1,208,100	1,154,700	1,346,600
Financial Information Systems	2,644,200	2,317,500	2,711,200	3,993,500	4,705,200
Total	\$10,634,600	\$10,283,300	\$9,427,700	\$10,087,600	\$12,024,400
Categories of Expenditure					
Personal Services	5,525,600	5,536,200	5,465,200	5,568,700	6,098,800
In-State Travel	700	1,200	800	1,300	1,200
Out of State Travel	17,500	9,200	22,800	17,900	31,700
Current Expense	641,600	1,005,700	1,051,900	1,046,600	1,041,200
DP Current Expense	2,744,100	2,276,800	2,022,900	1,679,500	4,533,500
DP Capital Outlay	1,705,100	1,454,200	864,100	1,768,500	318,000
Capital Outlay	0	0	0	5,100	0
Total	\$10,634,600	\$10,283,300	\$9,427,700	\$10,087,600	\$12,024,400
Other Data					
Budgeted FTE	87.5	84.5	83.0	81.0	80.5
Actual FTE	83.6	82.2	78.1	76.9	0.0

Table 19

PROGRAMS – DIVISION OF FINANCE – ADMINISTRATION

FINANCE DIRECTOR’S OFFICE

Function

The Director of the Division of Finance is the state’s chief fiscal officer and is responsible for the accounting structure within state government. This includes:

- Procedures for the approval and allocation of funds
- Accounting control over fund assets
- Approval of proposed expenditures

These responsibilities include directing and maintaining a financial control system in accordance with generally accepted accounting principles. (UCA 63A-3-204.)

Accountability

One way to gauge the efficiency of the division is to take all division-wide costs and divide them by the number of payment transactions.

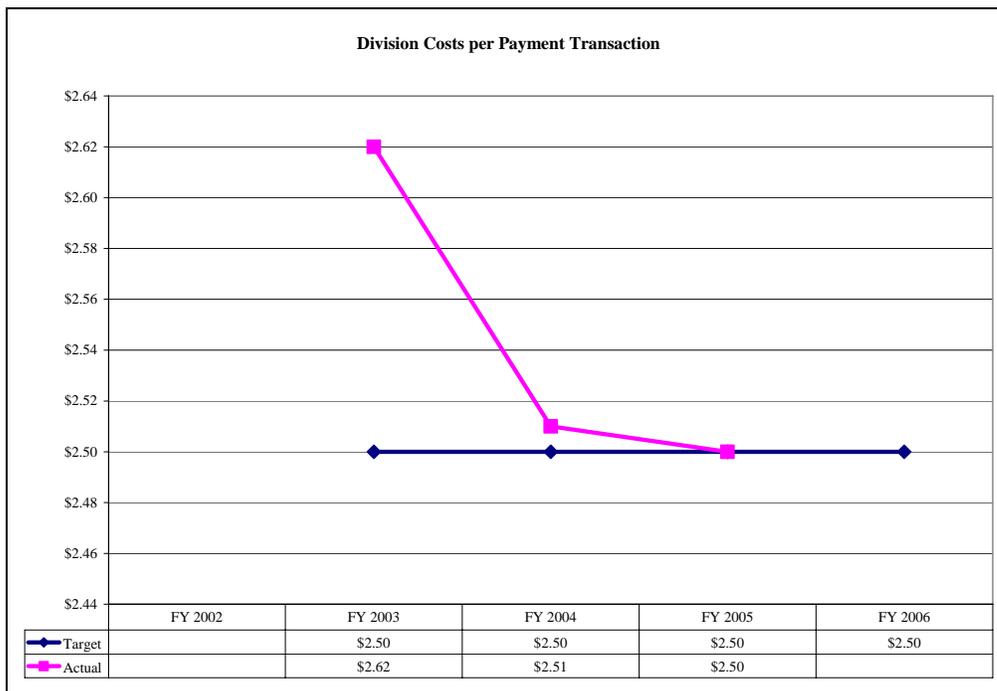


Figure 17

Measure: Division costs per payment transaction.

Goal: Financial efficiency in division operations.

Methodology: Total Division of Finance costs (except new system projects), divided by the number of checks and electronic fund transfers issued.

Measure Type: Efficiency.

Note: The division is accomplishing more with less. As shown in Table 19, the actual number of division FTEs has been gradually declining since FY 2002. Yet the number of payment transactions, the dollar value of

transactions, the number of funds to monitor, and the number of Governmental Accounting Standards Board (GASB) regulations have been increasing.

Funding Detail

The three FTE in this program include the director, assistant director, and an administrative secretary.

Budget History - Administrative Services - Finance Administration - Finance Director's Office					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	317,100	323,300	331,900	328,700	361,400
General Fund, One-time	0	0	1,000	1,500	0
Total	\$317,100	\$323,300	\$332,900	\$330,200	\$361,400
Categories of Expenditure					
Personal Services	287,100	293,200	302,500	303,000	328,200
Out of State Travel	2,000	3,100	4,800	1,400	6,400
Current Expense	27,600	26,600	25,600	25,800	26,800
DP Current Expense	400	400	0	0	0
Total	\$317,100	\$323,300	\$332,900	\$330,200	\$361,400
Other Data					
Budgeted FTE	3.0	3.0	3.0	3.0	3.0
Actual FTE	3.1	3.0	3.0	3.0	0.0

Table 20

PAYROLL

Function

The Payroll section is responsible for maintaining and operating the state’s time and attendance and payroll systems. The Payroll section also produces a variety of reports and files, including:

- Payroll register
- Utah Retirement Systems reports
- Detail labor distribution file
- General ledger journal vouchers
- Various federal reports

This program develops and delivers payroll policy, procedures, and training.

Every two weeks approximately 4,000 checks and 18,000 direct deposits are issued, accounting for over \$30,000,000 in wages.

The payroll system processes employee pay and benefits data such as: regular wages, overtime, retirement and health insurance, etc. It also processes data regarding the type of deductions taken by employees: life insurance, health and dental insurance, retirement, salary deferral programs, savings bonds, charitable fund contributions, etc.

In March 2003 the division implemented a new payroll and time processing system. Employee self-service is starting to be implemented by various agencies. This will allow employees to enter their time on-line, view their own payroll data and to update some of that data, such as W-4 information, without involving a payroll technician. This is expected to reduce administration costs and to improve employee satisfaction. In July, 2005 the employee self-service system had 3,825 users; one month later in August, the number grew to 4,892. The division hopes to reach 12,000 users.

Accountability

The state issued 587,451 paychecks in FY 2005 (compared to 576,703 in FY 2004), an average of 22,594 checks per pay period. More than seventy-five percent of payroll “checks” are actually electronic deposits. Processing cost per check in FY 2005 was \$1.00 compared to \$1.06 in FY 2004 and \$1.48 in FY 2003.

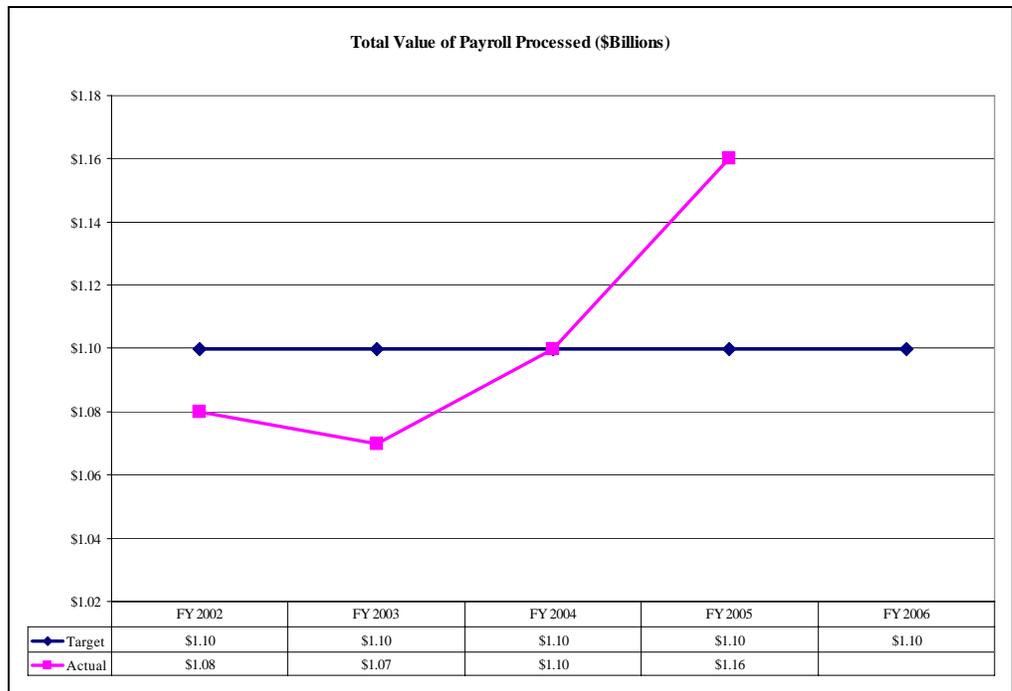


Figure 18

Measure: Total value of payroll processed.

Goal: Increasing value to payroll processing done centrally.

Methodology: Gross payroll dollars in billions.

Measure Type: Output.

Note: During the past five fiscal years the division has had 100 percent on-time payroll, which includes making a payroll system available at all times for agencies to complete their payroll data.

Funding Detail

The division used nonlapsing funds, along with other funding sources, in this program to finance the new payroll system.

Budget History - Administrative Services - Finance Administration - Payroll					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,901,200	1,825,100	1,707,800	1,512,600	1,587,600
General Fund, One-time	0	0	(103,200)	6,200	0
Dedicated Credits Revenue	18,000	10,800	2,100	2,400	2,000
GFR - ISF Overhead	1,936,100	0	0	0	0
Beginning Nonlapsing	1,926,400	2,171,000	661,200	500,000	0
Closing Nonlapsing	(2,171,000)	(661,200)	(500,000)	(860,500)	0
Total	\$3,610,700	\$3,345,700	\$1,767,900	\$1,160,700	\$1,589,600
Categories of Expenditure					
Personal Services	761,400	793,600	740,400	656,500	756,300
In-State Travel	100	500	0	0	500
Out of State Travel	5,200	4,600	10,200	4,600	7,500
Current Expense	13,400	10,300	11,200	15,600	24,900
DP Current Expense	1,220,200	1,093,100	776,500	484,000	792,400
DP Capital Outlay	1,610,400	1,443,600	229,600	0	8,000
Total	\$3,610,700	\$3,345,700	\$1,767,900	\$1,160,700	\$1,589,600
Other Data					
Budgeted FTE	13.0	13.0	12.0	12.0	11.0
Actual FTE	12.1	12.3	11.3	10.2	0.0

Table 21

PAYABLES/DISBURSING

Function

This program:

- Audits payment and employee reimbursement requests
- Enters transactions into computer systems
- Verifies that all transactions are properly accounted for by the central accounting system
- Manages all checks redeemed by the bank
- Provides information to the public and other agencies about the status of lost, missing, or cashed checks
- Distributes tax money to cities and counties
- Manages the State Travel Office

Finance manages a separate program called FINDER with the aim of improving the collection of funds owed to the state. The program matches tax refunds and vendor payments with outstanding receivables due the State. Those receivables include tax bills, child support, student loans, parking and moving violations, and unemployment insurance. If a match is made, the payment or tax refund is intercepted and paid to the entity. This function is

fully funded by the administrative fees collected as debts are paid. A fee of \$15 per transaction funds the program.

The disbursement function also handles the mailing and distribution of all centrally processed payments made from state funds. Annually, there are approximately 2.1 million checks paid and mailed by this section. The kinds of checks mailed include vendor payments, tax refunds, and payroll.

The Travel Office is a part of the Accounts Payable section and is responsible for arranging travel for state employees and employees of political subdivisions that choose to participate. Airline tickets, hotels, rental vehicles, and conference sites are ticketed and arranged for by this office. Although the Travel Office contracts with a private sector travel agency which is on-site in the State Office Building, it is managed by State Finance.

Personal Vehicle Use Reimbursement

Since the 2000 General Session the Legislature has asked the Department of Administrative Services to follow a mileage reimbursement program that requires agencies to reimburse employees for personal vehicle use at a rate equal to, or less than, the per mile cost of a mid-size sedan operated by the Division of Fleet Operations. (This was formerly in appropriation intent language, but was stricken due to the fact that it didn't directly relate to an appropriation.)

The goal of the policy was to encourage employees to use vehicles already in the state motor pool. When employees request reimbursement for using a personal vehicle on long trips the state pays for a vehicle twice – once for the employee's mileage and again for the unused state vehicle. The following table shows personal vehicle mileage reimbursements since FY 2001.

Personal Vehicle Mileage Reimbursement					
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
In State	\$2,711,600	\$2,755,900	\$2,802,500	\$2,809,200	\$3,116,900
Out of State	\$71,900	\$68,300	\$62,900	\$60,100	\$68,600
Total	\$2,783,500	\$2,824,200	\$2,865,400	\$2,869,300	\$3,185,500

Table 22

As gasoline prices rise, the cost of operating a state sedan rises and the reimbursement rate is adjusted accordingly. The division adjusts its reimbursement rates annually to match IRS approved rates.

Accountability

Division goals and objectives are met with timely disbursement of tax refunds to the public and payments to vendors. They are further met by collecting funds for other agencies through FINDER and by saving taxpayers money through an efficiently run and cost effective travel agency.

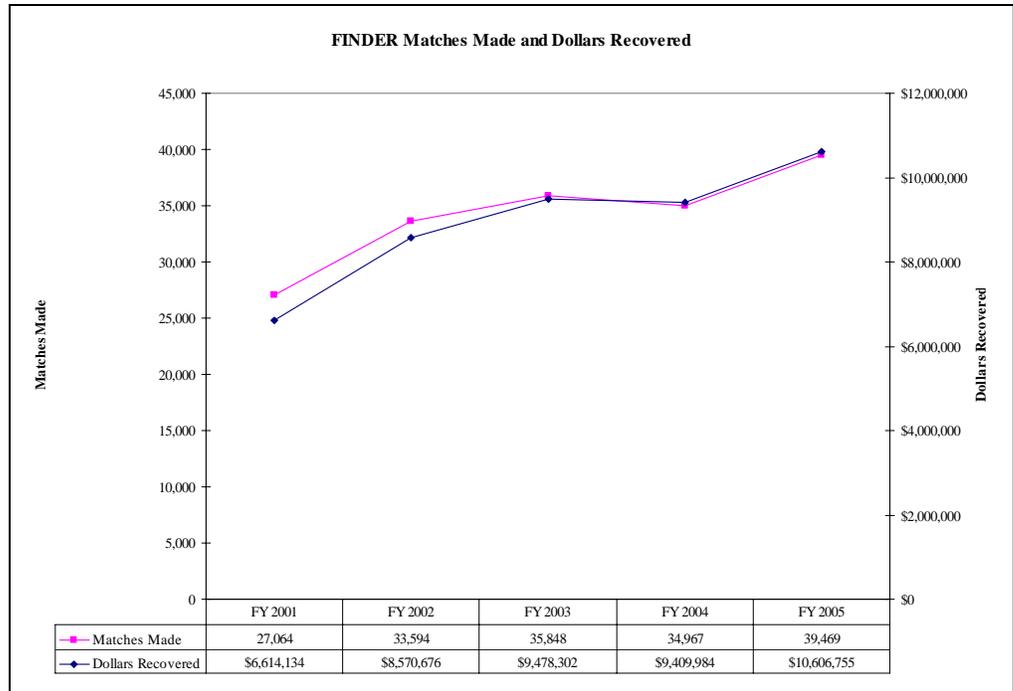


Figure 19

Measure: FINDER matches made and dollars recovered.

Goal: Improved collection of funds owed to the state.

Methodology: Count of matches made and dollars recovered.

Measure Type: Output.

Note: The number of matches and dollars recovered has grown steadily since FY 1995, when the number of matches made was 19,426 and dollars collected were \$4.9 million.

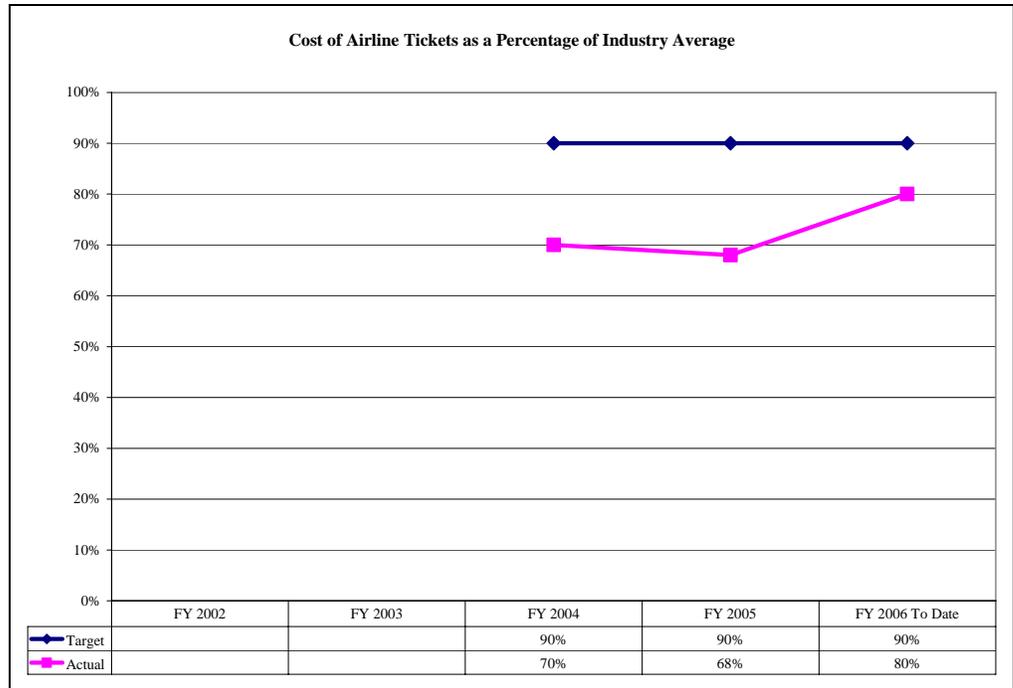


Figure 20

Measure: Cost of airline tickets as a percentage of industry average.

Goal: Save taxpayers money through an efficiently run and cost effective travel agency.

Methodology: State travel office average negotiated prices divided by travel industry average prices.

Measure Type: Efficiency.

Note: The travel office has negotiated rates below industry average, but rates are gradually increasing toward the industry average. With the elimination of airline commissions the user agency pays a fee to the State Travel Office for each reservation. In some cases a traveler may find a lower fare through an internet discounter. However, discount internet rates are non-refundable tickets that must be purchased in advance, often require a Saturday night stay and cannot be changed without additional charges.

Funding Detail

Dedicated Credits are generated from user fees in the Travel Office and administrative costs charged to the Finder System. If actual collections exceed projections, the excess will be nonlapsing and used later for system development.

Budget History - Administrative Services - Finance Administration - Payables/Disbursing					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	952,000	733,900	704,700	708,900	1,094,900
General Fund, One-time	0	0	3,600	9,500	0
Dedicated Credits Revenue	674,900	1,236,200	1,289,600	1,374,900	1,036,900
Total	\$1,626,900	\$1,970,100	\$1,997,900	\$2,093,300	\$2,131,800
Categories of Expenditure					
Personal Services	1,097,500	1,068,000	1,068,700	1,146,500	1,229,800
In-State Travel	600	700	800	1,300	700
Out of State Travel	800	0	100	3,000	2,000
Current Expense	528,000	901,400	928,300	942,000	899,300
DP Current Expense	0	0	0	500	0
Total	\$1,626,900	\$1,970,100	\$1,997,900	\$2,093,300	\$2,131,800
Other Data					
Budgeted FTE	22.5	22.5	21.8	20.3	20.5
Actual FTE	21.6	20.6	19.5	19.5	0.0

Table 23

TECHNICAL SERVICES

Function

This program evaluates the possible use of current and new technology in support of other sections within the division. It attempts to ensure technologies selected are consistent with the state's overall direction and are in support of the business objectives of the division. These objectives are met by providing overall direction and coordination, preparing and monitoring the information technology plan, and conducting regular information technology coordination meetings.

The program also provides Local Area Network (LAN) and security support, not only for the division but also for several division systems that have statewide impact. To do this they support over 100 computer devices and the necessary maintenance, support, and upgrades to keep the local area network running smoothly and efficiently.

In addition, this team is charged with developing and maintaining Data Warehouse, which contains financial, personnel, and payroll information. Their mission is to develop quality financial information in an efficient manner for all of state government to enhance the ability of managers to make sound business decisions. This information is available on-line to managers and financial analysts statewide.

The division should provide agencies the tools and training they need to access accurate, current, and historical information from the financial, human resource, and payroll systems. Data Warehouse is the name of the system that provides this information. Unscheduled down time should be minimized.

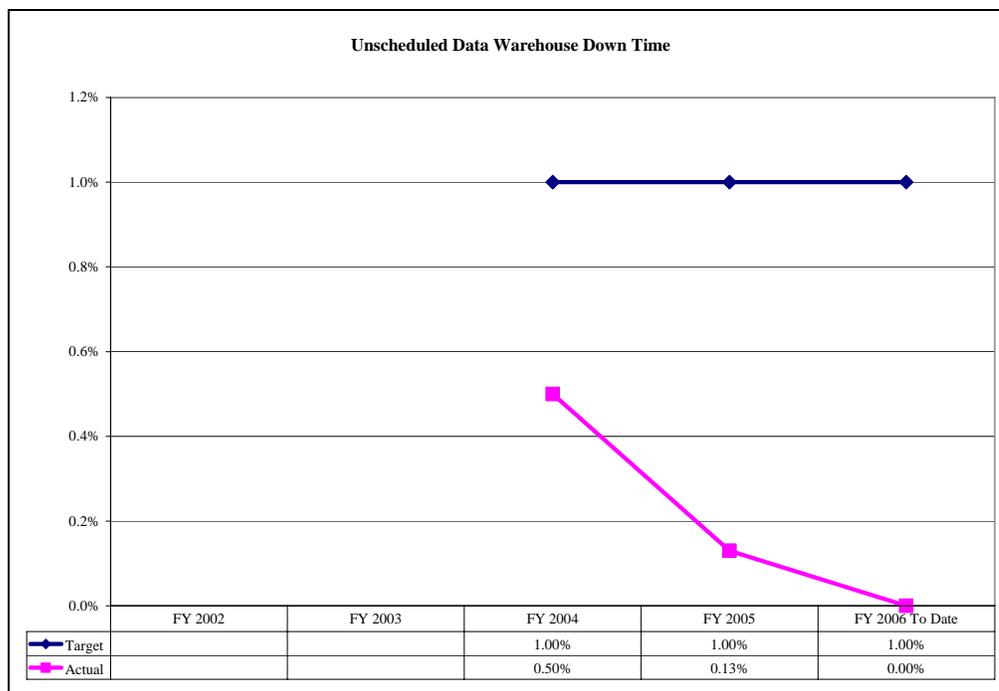


Figure 21

Measure: Unscheduled Data Warehouse down time.

Goal: Unscheduled down time should be less than one percent.

Methodology: Percentage of time Data Warehouse is unavailable for use by state agencies for reasons other than scheduled maintenance.

Measure Type: Outcome.

Note: The division is meeting its target of less than one percent unscheduled down time.

Funding Detail

Personal services are approximately **fifty nine** percent of this program’s budget. Otherwise, most expenditures in this program are related to computer hardware and software purchases/maintenance.

Budget History - Administrative Services - Finance Administration - Technical Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,353,100	1,261,500	1,486,700	1,336,400	1,689,800
General Fund, One-time	0	0	(24,600)	4,600	0
Beginning Nonlapsing	100,000	215,000	346,000	398,400	200,000
Closing Nonlapsing	(215,000)	(346,000)	(398,400)	(384,200)	0
Total	\$1,238,100	\$1,130,500	\$1,409,700	\$1,355,200	\$1,889,800
Categories of Expenditure					
Personal Services	707,400	688,700	674,500	795,200	870,000
Out of State Travel	2,200	0	3,900	5,400	7,000
Current Expense	15,600	13,300	30,700	11,400	24,700
DP Current Expense	418,200	417,900	472,700	504,200	678,100
DP Capital Outlay	94,700	10,600	227,900	33,900	310,000
Capital Outlay	0	0	0	5,100	0
Total	\$1,238,100	\$1,130,500	\$1,409,700	\$1,355,200	\$1,889,800
Other Data					
Budgeted FTE	10.0	10.0	9.0	9.0	10.0
Actual FTE	9.2	9.1	8.5	9.7	0.0

Table 24

FINANCIAL REPORTING

Function

Financial Reporting issues the Comprehensive Annual Financial Report (CAFR) to financial managers in other states, bond rating agencies, financial institutions, the public and managers within state government. In addition, they set accounting standards and policies to ensure compliance with state law and generally accepted accounting principles. This program provides information for marketing long term debt (bond sales) and monitors compliance with SEC regulations.

Financial Reporting provides service in the following areas:

- **Cash management:** maximize interest earnings and comply with federal cash regulations.
- **Loans receivable:** track loans that fund water quality and development projects, low income housing, and community development.
- **Revenue accounting:** establishing and monitoring detailed state revenue reporting.
- **Payment tracking:** reconcile all warrants with bank statements and the treasurer’s system.
- **Fixed asset tracking:** maintain and update the statewide Fixed Asset System, which includes \$9 billion of fixed assets, \$7.3 billion of which is infrastructure.

The division provides electronic versions of the CAFR and Fiscal Focus on its website.

Accountability

The division should close each fiscal year and issue the Comprehensive Annual Financial Report (CAFR) in a timely manner. Measures for a successful CAFR include receiving an unqualified audit opinion and a certificate of achievement from the Governmental Finance Officers Association (GFOA). These two measures help the state maintain its reputation as a well-managed state and keep its “AAA” bond rating.

Comprehensive Annual Financial Report				
	FY 2002	FY 2003	FY 2004	FY 2005
Unqualified Audit Opinion	Yes	Yes	Yes	Yes
GFOA Certificate of Achievement	Yes	Yes	Yes	Yes

Table 25

Funding Detail

During the 2005 General Session the Legislature funded a \$50,000 actuarial study to determine the state’s liability for “other post-employment benefits” (paid health insurance in exchange for unused sick leave). The actuary reported to the Executive Appropriations Committee on November 8, 2005. The Legislature further added \$25,000 in ongoing funds to the budget to repeat the actuarial study every two years as required by the Governmental Accounting Standards Board (GASB).

Dedicated Credits come from overhead charges made for accounting services.

Budget History - Administrative Services - Finance Administration - Financial Reporting					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	751,400	737,700	711,900	676,900	840,500
General Fund, One-time	0	0	2,700	55,500	0
Dedicated Credits Revenue	446,200	458,500	488,700	472,300	506,100
Pass-through	0	7,500	0	0	0
Beginning Nonlapsing	0	0	7,500	0	0
Closing Nonlapsing	0	(7,500)	0	(50,000)	0
Lapsing Balance	0	0	(2,700)	0	0
Total	\$1,197,600	\$1,196,200	\$1,208,100	\$1,154,700	\$1,346,600
Categories of Expenditure					
Personal Services	1,154,700	1,157,000	1,161,600	1,115,800	1,273,300
Out of State Travel	1,500	0	1,800	0	2,800
Current Expense	35,800	33,500	38,700	32,900	64,500
DP Current Expense	5,600	5,700	6,000	6,000	6,000
Total	\$1,197,600	\$1,196,200	\$1,208,100	\$1,154,700	\$1,346,600
Other Data					
Budgeted FTE	17.0	17.0	16.7	15.7	16.0
Actual FTE	16.9	16.7	15.8	14.7	0.0

Table 26

FINANCIAL INFORMATION SYSTEMS**Function**

The Financial Information Systems group is responsible for coordinating incoming financial data, processing the information, generating warrants, and distributing reports to the departments each month. This section is also responsible for:

- FINET maintenance and development
- User coordination among all state agencies
- Training
- Garnishment and Tax systems: maintaining and operating the Tax and Wage Garnishments systems
- Payment Tracking System: maintaining and operating the state Warrant and Electronic Funds Transfer (EFT) Payment System
- Unclaimed Property application: developing, testing, and implementing changes and upgrades to the Unclaimed Property System
- Check Writer System: developing, testing, and implementing changes and upgrades to the Check Writer System that prints warrants for agencies outside of the Division of Finance

Funding Detail

Because of the large amount of data processed for the Department of Transportation, a portion of this program is funded from the Transportation Fund.

Budget History - Administrative Services - Finance Administration - Financial Information Systems					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	801,100	1,024,500	1,157,800	1,429,000	718,800
General Fund, One-time	0	0	2,962,200	10,800	0
Transportation Fund	450,000	450,000	450,000	450,000	450,000
Dedicated Credits Revenue	200,000	200,000	200,000	200,000	200,000
GFR - ISF Overhead	1,483,300	1,489,500	1,490,000	1,272,400	1,272,400
Beginning Nonlapsing	0	290,200	1,136,700	4,685,500	2,801,500
Closing Nonlapsing	(290,200)	(1,136,700)	(4,685,500)	(4,054,200)	(737,500)
Total	\$2,644,200	\$2,317,500	\$2,711,200	\$3,993,500	\$4,705,200
Categories of Expenditure					
Personal Services	1,517,500	1,535,700	1,517,500	1,551,700	1,641,200
Out of State Travel	5,800	1,500	2,000	3,500	6,000
Current Expense	21,200	20,600	17,400	18,900	1,000
DP Current Expense	1,099,700	759,700	767,700	684,800	3,057,000
DP Capital Outlay	0	0	406,600	1,734,600	0
Total	\$2,644,200	\$2,317,500	\$2,711,200	\$3,993,500	\$4,705,200
Other Data					
Budgeted FTE	22.0	19.0	20.5	21.0	20.0
Actual FTE	20.7	20.5	20.0	19.8	0.0

Table 27

Special Funding

Overhead charges are allocated to the Internal Service Funds (ISF) for benefits received from other state agencies such as accounting and auditing services, building space, maintenance, security, etc. The overhead payments had been transferred back to the respective ISF as contributed capital that reduced retained earnings and increased contributed capital by the same amount. However, since FY 94, the revenue received from overhead charges has been transferred to Finance to support the FINET accounting system.

Restricted Funds Summary - Financial Information Systems				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2005 Balance
GFR - ISF Overhead	Not in statute	ISF overhead charges	As appropriated by the Legislature	N/A

Table 28

CHAPTER 10 DIVISION OF FINANCE – MANDATED EXPENDITURES

Function

Each year the Legislature funds items that impact several agencies, solve problems that don't apply to any specific agency, or pose a conflict of interest to agency management. For these programs, the Legislature directs the Division of Finance to administer payment under rules established for each appropriation. In the past, the Legislature funded Y2K, critical land issues and inmate issues by placing the funds in dedicated accounts managed by the Division of Finance.

The Division of Finance manages expenditures as provided in law for each fund, but is not empowered to make policy decisions regarding funding in the mandated sections.

Funding Detail

Currently the Finance – Mandated FY 2006 base budget includes only the LeRay McAllister Critical Land Fund.

Budget History - Administrative Services - Finance - Mandated					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	3,458,500	482,600	482,600	482,600	482,600
General Fund, One-time	(200)	0	450,000	7,000,000	(150,000)
Uniform School Fund	37,200	0	0	0	0
Transportation Fund	500	0	0	0	0
GFR - Economic Incentive	0	0	0	0	981,900
Transfers	(165,000)	0	0	0	0
Beginning Nonlapsing	628,100	0	0	150,000	0
Closing Nonlapsing	(207,300)	0	(150,000)	(4,000,000)	0
Lapsing Balance	(50,700)	0	0	(38,400)	0
Total	\$3,701,100	\$482,600	\$782,600	\$3,594,200	\$1,314,500
Programs					
800 MHz Conversion	1,663,000	0	0	0	0
Information Technology Infrastr	0	0	0	0	0
LeRay McAllister Critical Land	2,037,200	482,600	782,600	3,482,600	332,600
Annual Leave Conversion	900	0	0	0	0
Salt Palace Expansion	0	0	0	0	0
Studies	0	0	0	111,600	0
Devel Zone Partial Rebates	0	0	0	0	981,900
Total	\$3,701,100	\$482,600	\$782,600	\$3,594,200	\$1,314,500
Categories of Expenditure					
Current Expense	1,663,000	0	0	111,600	0
Other Charges/Pass Thru	2,038,100	482,600	782,600	3,482,600	1,314,500
Total	\$3,701,100	\$482,600	\$782,600	\$3,594,200	\$1,314,500

Table 29

PROGRAMS – DIVISION OF FINANCE – MANDATED EXPENDITURES

LERAY MCALLISTER CRITICAL LAND FUND

Function

The creation of LeRay McAllister Critical Land Conservation Fund (CLCF) allows non-profit organizations, the Department of Agriculture and Food, the Department of Natural Resources, and local governments access to funds for open space preservation. Money from the CLCF must be used to preserve or restore open lands and agricultural lands. Generally, municipal parks, ball fields, and other types of developed, active recreation areas are not critical lands as defined by the Quality Growth Act.

Statutory Authority

The following laws govern use of the McAllister Fund:

UCA 11-38 is entitled the “Quality Growth Act.” Part two of this act creates the Quality Growth Commission (QGC).

UCA 11-38-202 gives the QGC the duty to administer the McAllister Fund.

UCA 11-38-301 creates the LeRay McAllister Critical Land Conservation Fund consisting of:

- Appropriations by the Legislature
- Contributions from federal agencies, political subdivisions, persons, or corporations
- Proceeds a department chooses to place in the fund from sales of surplus land
- Funds from the State Building Energy Efficiency Program (SBEEP) (UCA 63-9-67)

The Departments of Administrative Services, Agriculture and Food, Natural Resources, and Transportation may place proceeds from sales of surplus land into the fund.

The total in the fund may not exceed \$6 million.

UCA 11-38-302 allows the QGC to authorize grants or loans from the fund to local agencies, the Department of Natural Resources, the Department of Agriculture and Food, or charitable organizations.

Funds must be used for preserving or restoring open land and agricultural land. Funds may not generally be used to purchase a fee interest but may be used to establish a conservation easement.

Eminent domain may not be used to acquire lands for this purpose.

A county, city, town, department or organization may not receive money from the fund unless it provides matching funds equal to or greater than the amount of money received from the fund.

UCA 63-38-18 requires agencies to deposit their share of electrical service refunds into the fund.

UCA 63-9-67 requires the agency overseeing the SBEEP to annually report to the capital facilities appropriations subcommittee the amount that represents fifty percent of the net savings realized by all state agencies from participating in the SBEEP, and this amount may be placed into the fund, subject to legislative appropriation.

Intent Language

The Legislature adopted the following intent language for [FY 2006 \(H.B. 1\)](#) and [FY 2005 \(S.B. 1\)](#):

It is the intent of the Legislature that funds for the LeRay McAllister fund shall not lapse.

Accountability

Since FY 1999 the QGC has authorized [57](#) projects totaling [\\$13.1](#) million in McAllister Fund grants. Partners in open space preservation have contributed (or are expected to contribute) nearly [six](#) dollars for every dollar of McAllister Fund grants.

Urban	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05 Award</u>	<u>Total</u>
Projects	2	8	3	1	3	6	6	29
Acreage	164.4	850.3	177.2	2.3	147.3	644.5	1,143.8	3,130
Grant	\$672,000	\$1,658,400	\$849,100	\$45,400	\$220,000	\$628,000	\$1,192,500	\$5,265,400
Match	\$1,845,500	\$8,151,000	\$980,900	\$45,400	\$250,000	\$2,312,000	\$17,675,100	\$31,259,900
Total	\$2,517,500	\$9,809,400	\$1,830,000	\$90,800	\$470,000	\$2,940,000	\$18,867,600	\$36,525,300
Match/Grant	2.75 to 1	4.91 to 1	1.16 to 1	1 to 1	1.14 to 1	3.68 to 1	14.82 to 1	5.94 to 1
Rural	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05 Award</u>	<u>Total</u>
Projects	3	3	6	3	2	3	8	28
Acreage	7,656.8	5,795.5	14,818.7	1,670.1	430.0	90.0	20,914.7	51,376
Grant	\$1,311,100	\$812,500	\$2,518,600	\$370,200	\$270,000	\$275,000	\$2,245,000	\$7,802,400
Match	\$6,576,000	\$3,791,200	\$12,476,400	\$2,451,000	\$1,770,000	\$870,500	\$13,095,000	\$41,030,100
Total	\$7,887,100	\$4,603,700	\$14,995,000	\$2,821,200	\$2,040,000	\$1,145,500	\$15,340,000	\$48,832,500
Match/Grant	5.02 to 1	4.67 to 1	4.95 to 1	6.62 to 1	6.56 to 1	3.17 to 1	5.83 to 1	5.26 to 1
Total	<u>FY99</u>	<u>FY00</u>	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05 Award</u>	<u>Total</u>
Projects	5	11	9	4	5	9	14	57
Acreage	7,821.2	6,645.8	14,995.9	1,672.4	577.3	734.5	22,058.5	54,505.5
Grant	\$1,983,100	\$2,470,900	\$3,367,700	\$415,600	\$490,000	\$903,000	\$3,437,500	\$13,067,800
Match	\$8,421,500	\$11,942,200	\$13,457,300	\$2,496,400	\$2,020,000	\$3,182,500	\$30,770,100	\$72,290,000
Total	\$10,404,600	\$14,413,100	\$16,825,000	\$2,912,000	\$2,510,000	\$4,085,500	\$34,207,600	\$85,357,800
Match/Grant	4.25 to 1	4.83 to 1	4 to 1	6.01 to 1	4.12 to 1	3.52 to 1	8.95 to 1	5.53 to 1

Table 30

Funding Detail

During the 2005 General Session the Legislature enhanced funding for protection of open spaces with an additional \$3,000,000 in FY05 supplemental one-time General Funds. The total appropriation for FY 2005 totaled \$3,482,600.

The base appropriation for FY 2006 was \$482,600 in ongoing General Funds; however, the Legislature redirected \$150,000 on a one-time basis to the governor’s office for local land planning. The total appropriation for FY 2006 was therefore \$332,600. The ongoing General Fund base for FY 2007 will return to \$482,600.

Budget History - Administrative Services - Finance - Mandated - LeRay McAllister Fund					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	2,037,200	482,600	482,600	482,600	482,600
General Fund, One-time	0	0	300,000	3,000,000	(150,000)
Total	\$2,037,200	\$482,600	\$782,600	\$3,482,600	\$332,600
Categories of Expenditure					
Other Charges/Pass Thru	2,037,200	482,600	782,600	3,482,600	332,600
Total	\$2,037,200	\$482,600	\$782,600	\$3,482,600	\$332,600

Table 31

CONVENTION FACILITIES

Function

House Bill 1011, 2005 First Special Session, amended the sales and use tax code so revenues from the transient room tax can be given to convention facilities, and appropriated funds to the Division of Finance to be transferred to Salt Lake County.

Budget History - Administrative Services - Finance - Mandated - Convention Facilities					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund, One-time	0	0	0	4,000,000	0
Closing Nonlapsing	0	0	0	(4,000,000)	0
Total	\$0	\$0	\$0	\$0	\$0
Categories of Expenditure					
Total	\$0	\$0	\$0	\$0	\$0

Table 32

DEVELOPMENT ZONE PARTIAL REBATES

Function The Division of Finance is required by statute to make partial rebates from the Economic Incentive Restricted Account to certain industries which bring in new state revenues. Documentation is required from the Governor’s Office of Economic Development.

Statutory Authority UCA 63-38f-1309 establishes the Economic Development Restricted Account. The account must be used to make payments as required for:

- Any individual or company that has entered into an agreement with the Governor’s Office of Economic Development, and has generated verifiable new state revenues.
- Only projects that include significant capital investment, the creation of high paying jobs, or significant purchases from Utah vendors and providers, or any combination of these, are eligible.

UCA 63-38f-1305 sets minimum qualifications for the rebates, some of which are:

- No payments may be made prior to verification
- Partial rebates can only be paid on projects that are within the Aerospace and Aviation Development Zone (UCA 63-38f-1303)
- Partial rebates may only be paid on projects that bring new, incremental jobs to the state
- Qualifying projects must involve direct investment within the geographic boundaries of the development zone
- Entities must enter into an agreement with the Governor’s Office and comply with conditions set by the office

Funding Detail The Division of Finance is required to transfer from new revenues in the General Fund the amount estimated by the Governor’s Office needed to make the partial rebates. Rebates are then made from the restricted account.

Budget History - Administrative Services - Finance - Mandated - Development Zone Partial Rebates					
Sources of Finance	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Appropriated
GFR - Economic Incentive Rest.	0	0	0	0	981,900
Total	\$0	\$0	\$0	\$0	\$981,900
Categories of Expenditure					
Other Charges/Pass Thru	0	0	0	0	981,900
Total	\$0	\$0	\$0	\$0	\$981,900

Table 33

Restricted Funds Summary - Development Zone Partial Rebatees				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2005 Balance
Economic Incentive Restricted Account	UCA 63-38f-1309	New Revenues in the General Fund	See above under "Statutory Authority"	\$0

Table 34

RETIREMENT BENEFITS

Function Funding was added to this program as a result of House Bill 213, "Unused Sick Leave at Retirement Amendments," 2005 General Session.

Funding Detail One-time funds will be used by the Retirement Office to set up new programs to track unused sick leave. Ongoing funds will be used to monitor the programs.

Budget History - Administrative Services - Finance - Mandated - Retirement - Retirement Benefits					
	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Appropriated
Sources of Finance					
General Fund	0	0	0	0	50,000
General Fund, One-time	0	0	0	0	150,000
Total	\$0	\$0	\$0	\$0	\$200,000
Categories of Expenditure					
Other Charges/Pass Thru	0	0	0	0	200,000
Total	\$0	\$0	\$0	\$0	\$200,000

Table 35

CHAPTER 11 POST-CONVICTION INDIGENT DEFENSE FUND

Function The Post-Conviction Indigent Defense Fund pays attorney fees for the automatic appeals for indigent individuals convicted of capital crimes. The program was managed by the Attorney General’s office for a period of time but was moved into a separate line item to avoid the appearance of a conflict resulting from the AG prosecuting individuals while directly funding their defense. Funds are housed in the Division of Finance for administrative purposes only.

The Division of Finance manages two other accounts that are similar to the Post Conviction Fund. These programs are funded by participating counties with statutory language for legislative consideration of any shortfall:

The *Indigent Inmate Defense Fund* is for inmates convicted of crimes while in prison. Sanpete County uses the program for inmates accused of crimes committed at the state prison in Gunnison. No other counties participate in the program at this time.

The *Indigent Capital Defense Fund* provides money to defend indigents charged with capital crimes in participating counties. The Division of Finance assesses the twenty-five participating counties annually and should be able to manage the fund in **FY 2007** without state assistance.

Intent Language The **FY 2006** Appropriations Act (**H.B. 1**) contains the following intent language:

It is the intent of the Legislature that funds for the Post Conviction Indigent Defense Fund shall not lapse.

Funding Detail The program should be able to continue with carry-forward balances in FY 2006. **After expending \$44,600 in FY 2005, the fund has \$320,000 remaining in nonlapsing balances.** Even if expenditures rise to the program’s current year appropriation of **\$74,000**, the nonlapsing balance in the program should be sufficient to meet **FY 2006 and FY 2007** expenditures. However, at some point in the future the program’s nonlapsing balance will run out, requiring additional funding for the program.

Average annual expenditures since FY 2002 are \$44,500

Post-Conviction Indigent Defense Fund Expenditures

FY 1999	\$17,000
FY 2000	23,000
FY 2001	22,300
FY 2002	27,400
FY 2003	63,800
FY 2004	42,000
FY 2005	44,600

Budget History - Post Conviction Indigent Defense Fund					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	85,100	0	0	0	0
Beginning Nonlapsing	412,700	470,400	406,600	364,600	290,600
Closing Nonlapsing	(470,400)	(406,600)	(364,600)	(320,000)	(216,600)
Total	\$27,400	\$63,800	\$42,000	\$44,600	\$74,000
Categories of Expenditure					
Current Expense	27,400	63,800	42,000	44,600	74,000
Total	\$27,400	\$63,800	\$42,000	\$44,600	\$74,000

Table 36

CHAPTER 12 JUDICIAL CONDUCT COMMISSION

Function

The Judicial Conduct Commission is a quasi-independent agency that investigates and resolves complaints against Utah judges. The executive director manages claims, assigns investigators, and prosecutes judges when necessary. The commission dismisses approximately eighty-five percent of all claims, resolves ten percent by stipulation, and conducts formal hearings for five percent of all complaints.

Judicial Conduct Commission Membership			
<u>Legislators</u>	<u>Judges</u>	<u>Attorneys</u>	<u>Public</u>
Sen. Gene Davis	Hon. Russell Bench	Ruth Lybbert, Chair	Rod Orton, Vice-Chair
Sen. Michael Waddoups	Hon. Darwin Hansen	Ronald Russell	Joe Judd
Rep. Neal Hendrickson			Flora Ogan
Rep. Gordon Snow			

Table 37

Statutory Authority

A constitutional amendment passed in 1984 established the Commission as part of Article VIII, Section 13 of the Utah Constitution. Following investigations and hearings, if the commission finds cause as outlined in Section 13, it may recommend that the Supreme Court reprimand, censure, suspend, remove, or involuntarily retire any justice or judge.

Commission composition is defined in UCA 78-8-102 as:

- Two members from the House of Representatives
- Two members of the Senate
- Two members of the Utah State Bar
- Three non-members of the Bar, appointed by the governor with consent of the Senate
- One member of the Utah Court of Appeals
- One judge from a trial court

Intent Language

Since case load varies from year to year the Legislature has adopted the following intent language (see [H.B. 1, 2005 General Session](#)):

It is the intent of the Legislature that funds for the Judicial Conduct Commission shall not lapse and that those funds shall be used to hire temporary contractors on an as-needed basis.

Accountability

The commission is required to file an annual report to the Legislature. The following data comes from their [FY 2005](#) report.

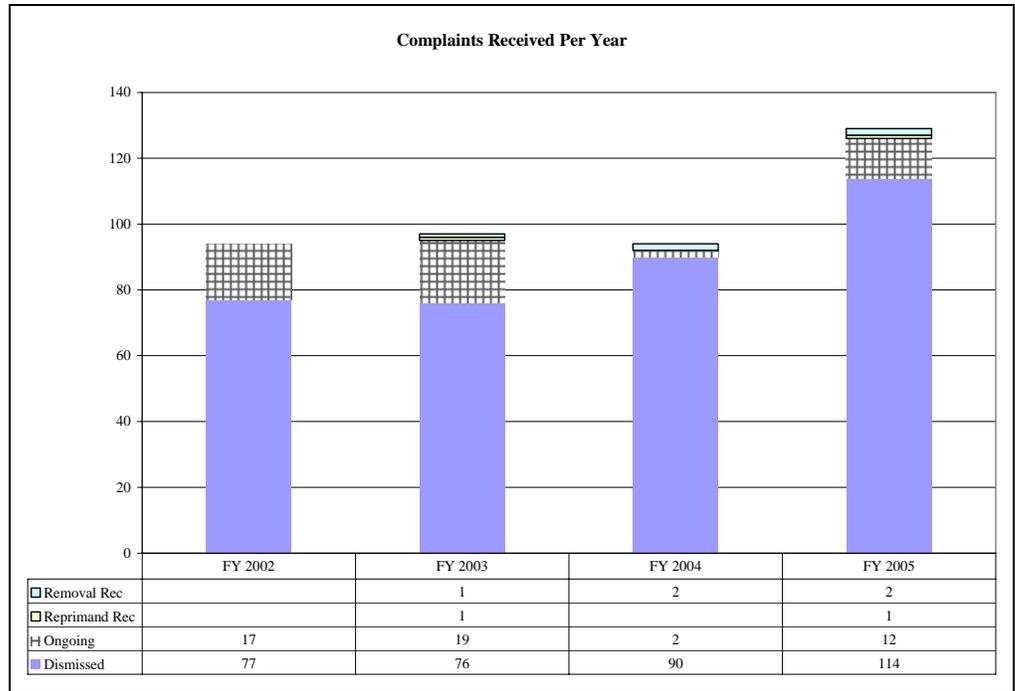


Figure 22

Measure: Complaints received per year.

Goal: Promote public confidence in the judicial system and create greater awareness of proper judicial conduct for judges and the citizens they serve.

Methodology: Count of investigations received and their disposition.

Measure Type: Output.

Funding Detail

Current expense in this budget is used to hire outside investigators and temporary employees based on case load.

Budget History - Administrative Services - Judicial Conduct Commission					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	227,600	218,500	220,300	223,200	229,200
General Fund, One-time	0	0	800	1,000	0
Beginning Nonlapsing	19,700	13,400	34,200	48,000	38,000
Closing Nonlapsing	(13,400)	(34,200)	(48,000)	(41,600)	(35,500)
Total	\$233,900	\$197,700	\$207,300	\$230,600	\$231,700
Categories of Expenditure					
Personal Services	184,000	144,700	161,400	168,000	181,000
In-State Travel	2,600	7,600	6,000	6,200	6,300
Out of State Travel	1,700	6,000	2,800	5,600	2,800
Current Expense	42,200	35,800	29,200	44,900	34,800
DP Current Expense	3,400	3,600	7,900	5,900	6,800
Total	\$233,900	\$197,700	\$207,300	\$230,600	\$231,700
Other Data					
Budgeted FTE	2.4	2.4	2.0	2.0	1.9
Actual FTE	2.2	1.6	1.7	1.8	0.0

Table 38

CHAPTER 13 PURCHASING AND GENERAL SERVICES

Function	<p>In 1997 the Legislature reorganized the Department of Administrative Services, merging Central Copying, Central Mail, and Central Stores into the Division of Purchasing. The new division became 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.</p> <p>The division provides a centralized purchasing function for all state agencies. The Purchasing Program manages 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.</p>
Statutory Authority	<p>The Utah Procurement Code (UCA 63-56) requires the director to:</p> <ul style="list-style-type: none">➤ Procure or supervise procurement of all supplies, services, and construction needed by the state➤ Exercise supervision and control over all inventories or supplies belonging to the state➤ Establish and maintain programs for the inspection, testing and acceptance of supplies, services, and construction➤ Prepare statistical data concerning the procurement and usage of all supplies, services and construction➤ Approve new information technology contract only after the chief information officer has submitted a written needs analysis
Intent Language	<p>The Legislature adopted the following intent language in House Bill 1, Appropriations Act, and Senate Bill 1, Supplemental Appropriations Act, 2005 General Session:</p> <p style="text-align: center;"><i>It is the intent of the Legislature that funds for Purchasing shall not lapse and that those funds shall be used for electronic commerce.</i></p>
Accountability	<p>State Purchasing manages cooperative contracts that are utilized by state agencies, institutions of higher education, school districts, and local governments. Usage of the contracts is mandatory by state agencies, and voluntary by political subdivisions. Thus political subdivision usage of the contracts is a barometer of whether the contracts provide best value.</p>

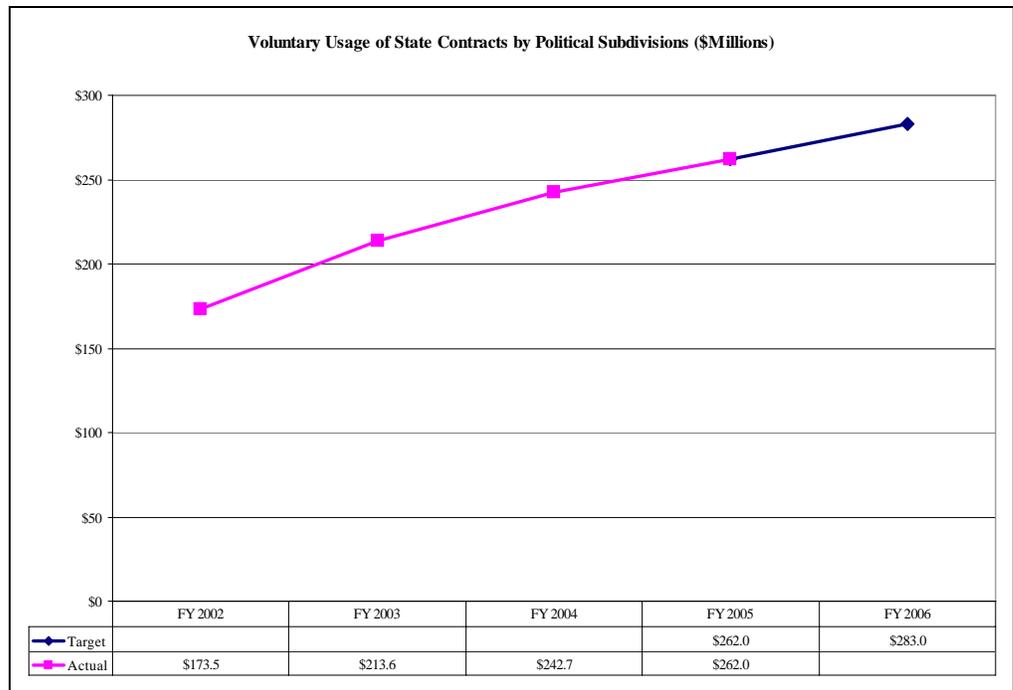


Figure 23

Measure: Voluntary usage of state contracts by political subdivisions.

Goal: Simple, clear, modern procurement procedures that demonstrate best value for users.

Methodology: Dollar usage of state cooperative contracts by political subdivisions.

Measure Type: Outcome.

Note: Use of state contracts by political subdivisions increased by 51 percent between FY 2002 and FY 2005, or an average of 17 percent per year. The target for FY 2006 is another 17 percent increase.

Funding Detail

Dedicated Credits are generated by fees collected from bidders requesting inclusion on the automated information mailing system. This system automatically solicits bidders on a given commodity. Participation in this program is optional. Copies of all bids are available for public inspection on the division’s website.

Budget History - Administrative Services - Purchasing - Purchasing and General Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,238,500	1,212,400	1,237,900	1,343,500	1,417,900
General Fund, One-time	0	0	4,400	10,300	0
Dedicated Credits Revenue	76,900	66,900	56,700	47,900	59,000
Beginning Nonlapsing	83,000	19,600	29,700	65,800	0
Closing Nonlapsing	(19,600)	(29,700)	(65,800)	(83,600)	0
Total	\$1,378,800	\$1,269,200	\$1,262,900	\$1,383,900	\$1,476,900
Categories of Expenditure					
Personal Services	1,268,200	1,181,900	1,184,400	1,290,200	1,407,500
In-State Travel	900	800	600	400	600
Out of State Travel	1,000	1,500	2,500	4,300	700
Current Expense	79,900	66,400	45,100	54,000	49,800
DP Current Expense	28,800	18,600	30,300	35,000	18,300
Total	\$1,378,800	\$1,269,200	\$1,262,900	\$1,383,900	\$1,476,900
Other Data					
Budgeted FTE	24.0	23.0	24.0	21.5	21.5
Actual FTE	23.3	22.2	20.9	22.0	0.0

Table 39

CHAPTER 14 CHILD WELFARE PARENTAL DEFENSE**Function**

House Bill 268 (2004 General Session) created the Office of Child Welfare Parental Defense and transferred \$239,000 in ongoing funds from the Department of Human Services to the Child Welfare Parental Defense Fund. The office contracts with licensed attorneys to represent indigent parents, and assists the attorneys in fulfilling their duties.

During the 2005 Session the Legislature opted to outsource the services formerly provided by this program. Therefore the Legislature redirected \$125,000 of this program's budget to the DAS Executive Director's Office for the purpose of issuing a contract. The remainder of this program's former funding was reallocated to other subcommittee priorities. This program no longer has a budget.

After a thorough request for proposal process, the Parental Defense Alliance of Utah (PDA) won the contract to provide training and communication services. The PDA is comprised of three attorneys. The contract is for two years. A contract oversight committee will meet quarterly with PDA to hear progress reports.

Statutory Authority

The following statutes govern operation of the office. However, statutory changes are likely to occur in the 2006 General Session as a result of the decision to outsource the functions of this office.

UCA 63A-11-103 creates within the Department of Administrative Services the Office of Child Welfare Parental Defense

UCA 63A-11-104 requires the director to be an attorney licensed to practice law in the state.

UCA 63A-11-105 gives the office the following duties:

- Contract with licensed attorneys, as independent contractors, to serve as parental defense attorneys
- Assist and advise contracted these contracted attorneys
- Develop and provide educational and training programs for contracted attorneys
- Inform and advise to assist contracted attorneys to comply with their professional, contractual, and ethical duties

UCA 63A-11-106 requires the director to report by October 1st each year to the governor and Child Welfare Legislative Oversight Panel regarding the preceding fiscal year of operations, and submit a budget for the upcoming fiscal year.

UCA 63A-11-203 creates a restricted special revenue fund known as the "Child Welfare Parental Defense Fund" which may be used for administrative costs and to pay legal representation costs for indigent parents subject to allegations of abuse or neglect. The fund consists of monies appropriated by the Legislature, deposits by participating counties, or private contributions.

UCA 63A-11-204 allows counties to annually enter into written agreement with the office to provide for payment of parental defense attorney costs out of the fund.

Intent Language

The Legislature adopted the following supplemental language for FY 2005 in S.B. 1, Supplemental Appropriations Act:

It is the intent of the Legislature that funds for the Office of Child Welfare Parental Defense shall not lapse and that those funds shall be used for contracting.

Funding Detail

This program does not have a base budget. Nonlapsing funds carried over from FY 2005 must be spent on the contract per intent language.

Budget History - Administrative Services - Child Welfare Parental Defense					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	0	0	239,000	0
Closing Nonlapsing	0	0	0	(127,700)	0
Total	\$0	\$0	\$0	\$111,300	\$0
Categories of Expenditure					
Personal Services	0	0	0	94,200	0
In-State Travel	0	0	0	200	0
Current Expense	0	0	0	11,700	0
DP Current Expense	0	0	0	5,200	0
Total	\$0	\$0	\$0	\$111,300	\$0
Other Data					
Budgeted FTE	0.0	0.0	0.0	2.0	0.0
Actual FTE	0.0	0.0	0.0	1.2	0.0

Table 40

Special Funding

Restricted Funds Summary - Child Welfare Parental Defense				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2005 Balance
Child Welfare Parental Defense Fund	UCA 63A-11-203	Appropriations, county deposits, private contrib.	Admin costs and indigent legal defense costs	\$127,700

Table 41

CHAPTER 15 DIVISION OF HUMAN RESOURCE MANAGEMENT**Function**

House Bill 319, 2005 General Session, expanded the Department of Administrative Services to include the new Division of Human Resource Management (formerly the Department of Human Resource Management). The change becomes effective on July 1, 2006 (beginning of FY 2007).

The Division of Human Resource Management (DHRM) is the central human resource office for the state's workforce. Division staff is responsible for recruitment, training, classification and compensation systems for the state. The mission of DHRM is to "develop, implement and administer a statewide human resource management system for state employees that will:

1. Promote quality government that aids in the effective execution of public policy;
2. Attract and retain quality employees and foster productive and meaningful careers in public service;
3. Develop effective relationships that aid in rendering assistance to agencies in performing their missions and working with customers and stakeholders."

Statutory Authority

The powers and duties of the Division of Human Resource management are established in UCA 67-19-5. The director is given full responsibility and accountability for administration of statewide human resource management.

Responsibilities for the division are identified in UCA 67-19-6, some of which include:

- Administer a statewide personnel management program that aids efficient execution of public policy, fosters careers, and assists state agencies in performing their missions
- Perform duties assigned by the governor or statute
- Adopt rules for personnel management
- Maintain a management information system that will provide current information on authorized positions, payroll, and related matters
- Help eliminate discrimination in state employment
- Advise local governments on effective personnel management
- Establish compensation policies and procedures for early voluntary retirement
- Submit an annual report to the governor and legislature about funded vacant positions and especially those vacant for more than 180 days
- Establish statewide training programs

UCA 67-19-6.1 allows the director to establish field offices at state agencies, in consultation and agreement with the agency head.

Funding Detail

The division utilizes funding from the General Fund and Dedicated Credits. Dedicated Credits are collected from training fees and Flex Benefits fees. Most of the division funding is used for staff support and IT costs.

Budget History - Human Resource Management					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	3,132,100	2,797,000	2,888,200	2,943,000	3,066,900
General Fund, One-time	0	0	0	18,700	0
Dedicated Credits Revenue	226,500	298,500	400,200	391,500	392,000
Beginning Nonlapsing	114,900	157,400	171,900	274,500	0
Closing Nonlapsing	(157,400)	(171,900)	(274,500)	(455,100)	0
Lapsing Balance	0	(14,000)	0	0	0
Total	\$3,316,100	\$3,067,000	\$3,185,800	\$3,172,600	\$3,458,900
Programs					
Administration	952,600	901,800	790,000	799,000	930,300
Classif and Employee Relations	497,900	451,700	452,900	484,200	533,600
Recruitment, Training and Deve	501,000	527,100	537,800	486,000	571,700
Flex Benefits	40,500	3,400	100,400	0	40,000
Mgt Training and Development	202,500	258,800	261,900	332,500	350,000
Information Technology	1,121,600	924,200	1,042,800	1,070,900	1,033,300
Total	\$3,316,100	\$3,067,000	\$3,185,800	\$3,172,600	\$3,458,900
Categories of Expenditure					
Personal Services	2,573,200	2,544,700	2,338,700	2,313,100	2,750,200
In-State Travel	8,700	1,500	11,300	1,100	10,300
Out of State Travel	7,900	15,200	24,600	17,900	6,300
Current Expense	363,200	338,300	475,700	456,600	442,500
DP Current Expense	277,200	151,800	293,100	281,300	239,600
DP Capital Outlay	84,200	0	42,400	102,600	10,000
Capital Outlay	0	12,100	0	0	0
Other Charges/Pass Thru	1,700	3,400	0	0	0
Total	\$3,316,100	\$3,067,000	\$3,185,800	\$3,172,600	\$3,458,900
Other Data					
Budgeted FTE	40.0	40.0	36.5	36.5	36.5
Actual FTE	37.9	36.6	33.1	30.9	0.0

Table 42

PROGRAMS – DIVISION OF HUMAN RESOURCE MANAGEMENT

ADMINISTRATION

Function Administration is designed to keep the division functioning in terms of goals, plans and implementation. Functions include planning, coordination with the governor’s office and Legislature on key issues, public information and dissemination, budget oversight and control, and office management. Overall human resource oversight functions reside in Administration.

Intent Language The Legislature adopted the following intent language for FY 2006 in House Bill 1, 2005 General Session:

It is the intent of the Legislature that funding for the Department of Human Resource Management be nonlapsing.

The Legislature intends that health and dental insurance benefit increases be paid as recommended by Group Insurance.

The Legislature intends to fund a 2.5% cost of living allowance for state employees effective July 2, 2005.

Funding Detail Administration utilizes mostly General Funds and a small portion of Dedicated Credits for overhead costs.

Budget History - Human Resource Management - Administration					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	952,600	900,800	789,900	793,000	928,300
General Fund, One-time	0	0	0	5,900	0
Dedicated Credits Revenue	0	1,000	100	100	2,000
Total	\$952,600	\$901,800	\$790,000	\$799,000	\$930,300
Categories of Expenditure					
Personal Services	836,700	837,800	671,400	635,400	854,500
In-State Travel	0	1,200	1,000	1,000	0
Out of State Travel	7,600	4,200	2,600	12,500	2,600
Current Expense	107,700	46,400	110,900	130,000	73,200
DP Current Expense	600	100	4,100	2,200	0
DP Capital Outlay	0	0	0	17,900	0
Capital Outlay	0	12,100	0	0	0
Total	\$952,600	\$901,800	\$790,000	\$799,000	\$930,300
Other Data					
Budgeted FTE	6.0	6.0	11.0	11.5	11.5
Actual FTE	11.5	11.0	9.9	8.9	0.0

Table 43

POLICY

Function

The Policy program maintains the state’s classification and pay plan. Salary surveys which are administered by the program identify occupants with pay not aligned to competitors. The program then provides recommendations to the governor and Legislature on solutions to the problem. Identification of problem areas helps reduce turnover and training costs. Job audits assure proper job classification.

This program establishes rules, policies, standards and business practices for compensation, benefits, classification, recruitment, HR information systems, records management, liability management, and performance management. Other functions include workforce planning, measures, and legislation. These functions affect the working life of 24,000 employees in terms of salaries and working conditions.

Accountability

As part of workforce planning, the program monitors the number of retirees and terminations in order to plan for future workforce needs

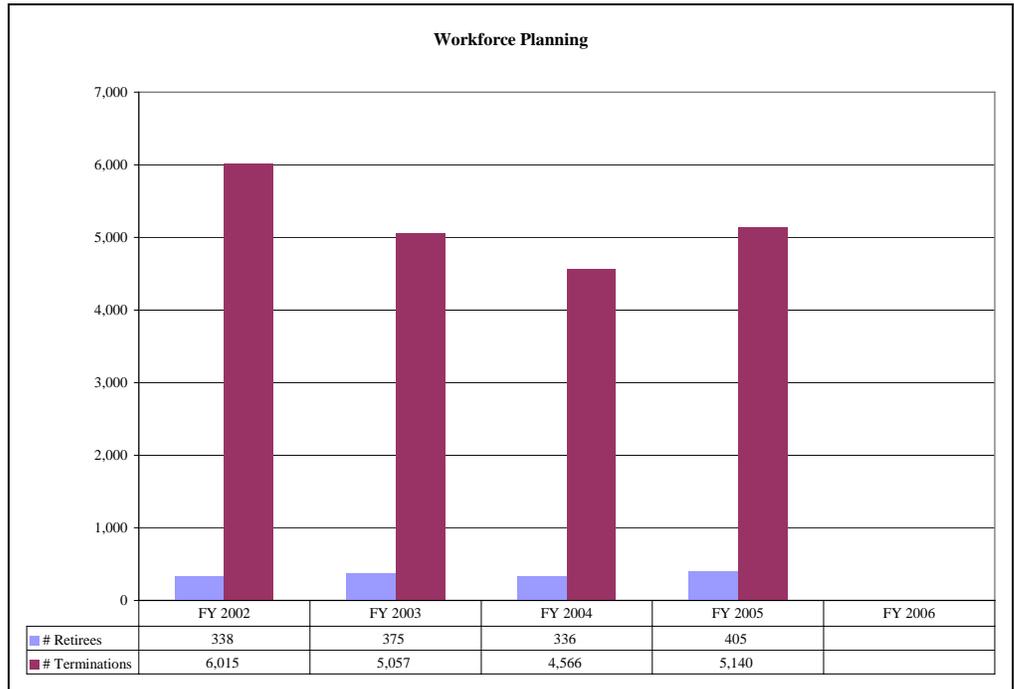


Figure 24

Total Compensation Index

Salary surveys indicate how state employees' compensation and benefits (combined) compare to competitors. Compensation and benefits are packaged into the "Total Compensation Index" so that the impact of benefits is considered.

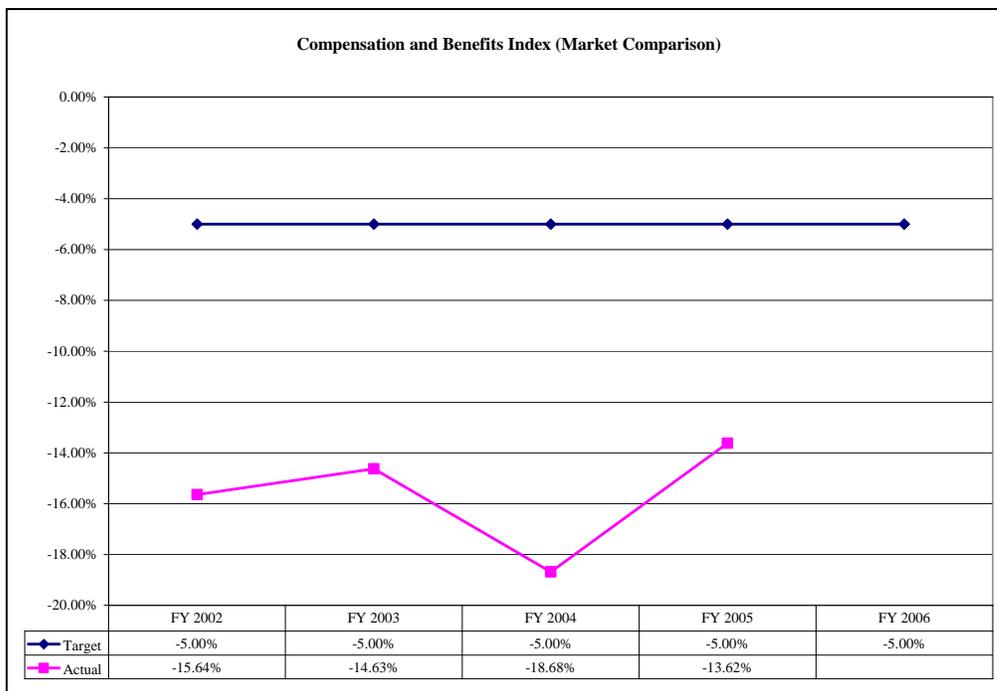


Figure 25

Measure: Total Compensation Index (TCI)

Goal: Compensation and benefits for state employees' benchmarked positions within five percent of market.

Methodology: Data gathered in salary surveys.

Measure Type: Outcome.

Note: This measure is provided for information purposes only, since it is based on legislative funding which is outside of the division's control. Recommendations are passed to the governor and Legislature for consideration. Based on the TCI for 2005, benchmarked positions gained approximately five points on the index. The impact of benefits is considered but is not always clear.

Funding Detail

The Policy program utilizes funding from the General Fund. Most program funding is for personal services.

Budget History - Human Resource Management - Policy					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	497,900	451,700	452,900	480,100	533,600
General Fund, One-time	0	0	0	4,100	0
Total	\$497,900	\$451,700	\$452,900	\$484,200	\$533,600
Categories of Expenditure					
Personal Services	489,700	442,600	444,900	481,900	528,500
In-State Travel	300	100	300	100	300
Out of State Travel	0	700	100	0	100
Current Expense	7,300	7,500	7,200	1,900	4,300
DP Current Expense	600	800	400	300	400
Total	\$497,900	\$451,700	\$452,900	\$484,200	\$533,600
Other Data					
Budgeted FTE	14.0	14.0	7.5	8.0	8.0
Actual FTE	8.3	7.6	6.9	7.0	0.0

Table 44

CENTRAL OPERATIONS

Function

The Central Operations program is responsible for the recruiting, selection, employee development and training functions for the state. By request, the program develops personnel recruitment and selection policies for state agencies. It also provides training and technical support on employee relations, fair employment practices, diversity and liability prevention, including sexual harassment prevention training and drug testing.

Funding Detail

This program receives all of its funding from the General Fund.

Budget History - Human Resource Management - Central Operations					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	499,800	526,200	537,800	481,900	571,700
General Fund, One-time	0	0	0	4,100	0
Dedicated Credits Revenue	1,200	900	0	0	0
Total	\$501,000	\$527,100	\$537,800	\$486,000	\$571,700
Categories of Expenditure					
Personal Services	483,200	509,500	507,900	483,700	565,400
In-State Travel	400	100	500	0	500
Out of State Travel	0	0	18,500	(300)	0
Current Expense	15,000	15,100	1,400	2,200	4,700
DP Current Expense	2,400	2,400	9,500	400	1,100
Total	\$501,000	\$527,100	\$537,800	\$486,000	\$571,700
Other Data					
Budgeted FTE	10.0	10.0	8.0	8.0	8.0
Actual FTE	8.0	8.0	7.9	7.1	0.0

Table 45

FLEX BENEFITS

Function

The Flex Benefits program was adopted by the state under federal legislation to authorize employees to deduct a portion of their biweekly paycheck to establish a pool of money which can be used to pay for out-of-pocket day care, medical, and dental expenses. This money is deducted on a pre-tax basis and is free from FICA taxes and other employment taxes. Therefore it provides a savings to both the state and the employees who elect to use the program.

Funding Detail

Flex funding is from Dedicated Credit revenues.

Budget History - Human Resource Management - Flex Benefits					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	40,500	1,500	102,800	200	40,000
Beginning Nonlapsing	9,500	9,500	7,600	10,000	0
Closing Nonlapsing	(9,500)	(7,600)	(10,000)	(10,200)	0
Total	\$40,500	\$3,400	\$100,400	\$0	\$40,000
Categories of Expenditure					
Current Expense	38,800	0	100,400	0	40,000
Other Charges/Pass Thru	1,700	3,400	0	0	0
Total	\$40,500	\$3,400	\$100,400	\$0	\$40,000

Table 46

MANAGEMENT TRAINING

Function

Human Resource Management Training and Development provides opportunities and resources available to agencies across the state to meet workforce needs including:

- Employment law and liability prevention training to increase compliance with laws, decrease litigation and promote ethical and lawful work environments
- Certified Public Manager program to promote excellence in public management and leadership in accordance with national standards and recognized by the designation of a nationally recognized certification
- Employee and management development courses to enhance broadly applicable workplace skills, productivity, and communication
- Performance management courses to strengthen managerial skills and maximize workforce productivity

Accountability

Number of Certified Public Manager graduates

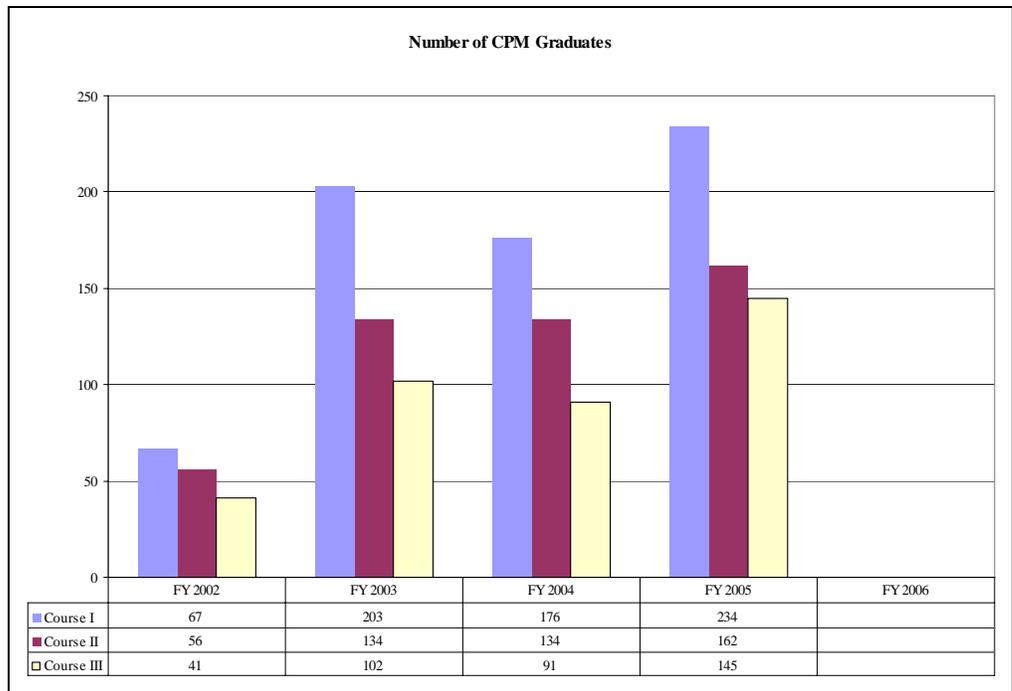


Figure 26

Measure: Number of CPM graduates.

Goal: Excellence in public management and leadership.

Methodology: Count of graduates in each course. Attendees must complete the first course before attending the second, and so on.

Measure Type: Output.

Note: Interest in the course is growing as reflected by an increasing number of completed courses.

Funding Detail

The program is funded through Dedicated Credit revenue generated by fees for services provided.

Budget History - Human Resource Management - Management Training and Development					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	183,800	294,100	296,300	391,200	350,000
Beginning Nonlapsing	74,400	55,700	91,000	125,400	0
Closing Nonlapsing	(55,700)	(91,000)	(125,400)	(184,100)	0
Total	\$202,500	\$258,800	\$261,900	\$332,500	\$350,000
Categories of Expenditure					
Personal Services	13,600	0	12,000	15,000	20,000
In-State Travel	200	100	2,100	0	2,100
Out of State Travel	300	5,100	3,400	2,700	3,600
Current Expense	183,100	252,100	225,500	301,600	305,400
DP Current Expense	5,300	1,500	18,900	13,200	18,900
Total	\$202,500	\$258,800	\$261,900	\$332,500	\$350,000

Table 47

INFORMATION TECHNOLOGY**Function**

Information Technology is used to provide automated systems for the enterprise Human Resource Management system. This system provides support to all agencies relative to employee recruitment, employment, pay and all other employee related functions.

Statewide systems supported by DHRM include:

- HRE (Human Resource Enterprise)
- TRM (Training Records Management)
- Employee Profile
- HR Data Warehouse
- UJM (Utah Job Match)
- UJM Job & Position Analysis
- Lifestyle Benefits
- UMD (Utah Master Directory)
- HR Web-Reports

The Information Technology program provides the technology support for the division. It provides support for internal DHRM needs as well as other state agencies in processing HR business. This includes processing from recruitment through termination.

The program provides direct access to human resource information to employees. It also provides information to the public and employees through the Web.

Funding Detail

All funding is from the General Fund except a small portion of Dedicated Credits revenue formerly used to cover administrative costs.

Budget History - Human Resource Management - Information Technology					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	1,181,800	918,300	1,107,600	1,188,000	1,033,300
General Fund, One-time	0	0	0	4,600	0
Dedicated Credits Revenue	1,000	1,000	1,000	0	0
Beginning Nonlapsing	31,000	92,200	73,300	139,100	0
Closing Nonlapsing	(92,200)	(73,300)	(139,100)	(260,800)	0
Lapsing Balance	0	(14,000)	0	0	0
Total	\$1,121,600	\$924,200	\$1,042,800	\$1,070,900	\$1,033,300
Categories of Expenditure					
Personal Services	750,000	754,800	702,500	697,100	781,800
In-State Travel	7,800	0	7,400	0	7,400
Out of State Travel	0	5,200	0	3,000	0
Current Expense	11,300	17,200	30,300	20,900	14,900
DP Current Expense	268,300	147,000	260,200	265,200	219,200
DP Capital Outlay	84,200	0	42,400	84,700	10,000
Total	\$1,121,600	\$924,200	\$1,042,800	\$1,070,900	\$1,033,300
Other Data					
Budgeted FTE	10.0	10.0	10.0	9.0	9.0
Actual FTE	10.1	10.0	8.4	8.0	0.0

Table 48

CHAPTER 16 DEPARTMENT OF ADMINISTRATIVE SERVICES – ISF SUMMARY**Function**

Internal Service Funds (ISF) employ business practices to provide a service or product for other state and governmental agencies. Typical services include motor pools, computer centers, central stores, revolving loan funds, 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 costs of certain governmental services.

ISFs operated by the Department of Administrative Services provide consolidated services to all state agencies. DAS operates four ISFs that are funded by state agencies and one (Debt Collection) that is funded through collections on outstanding debts owed to the state:

- Office of State Debt Collection
- Division of Purchasing and General Services (Central Mailing, Electronic Purchasing, and Publishing)
- Information Technology Services (Until FY 2007)
- Division of Fleet Operations
- Risk Management
- Division of Facilities Construction and Management

The Legislature removed the Division of Information Technology Services (ITS) from DAS during the 2005 General Session and placed it in the new Department of Technology Services (H.B. 109). The change becomes effective on July 1, 2006, the beginning of FY 2007.

Since the Office of State Debt Collection is not a true Internal Service Fund (it is not funded by charges to other state agencies) the division is considering requesting legislation to make the office an appropriated entity. The office would remain part of DAS.

Statutory Authority

In order to control the size, mission and fees charged to state agencies, the Legislature imposed statutory controls (UCA 63-38-3.5) 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 appropriation 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 Internal Service Fund without legislative approval.

No capital assets can be transferred to an Internal Service Fund without legislative approval.

Working capital for operations must be provided from the following sources in the following order:

1. Operating revenues
2. Long-term debt
3. Appropriation from the Legislature

To eliminate negative working capital, an ISF may borrow from the General Fund as long as:

- The debt is repaid over the useful life of the asset
- The Division of Finance does not allow the ISF to have deficit working capital (defined as Current Assets less Current Liabilities less Long Term General Fund Borrowing) greater than ninety percent of the value of the ISF's fixed assets.

Accountability

General Fund borrowing occurs when an agency needs cash to purchase assets to carry out its business. Examples include photocopiers and vehicles. These assets are depreciated and charged to customer agencies through the ISF's rates. Although the Legislature expresses a preference for capitalizing assets through operating revenues, borrowing from the General Fund is allowed under the conditions mentioned above.

The table on the following page shows General Fund debt carried by the DAS ISFs, along with their working capital positions.

Looking at trends in General Fund Borrowing and Working Capital helps gauge the fiscal condition of an ISF

	FY 2002	FY 2003	FY 2004	FY 2005
General Services: Printing				
Short Term GF Borrowing	\$1,769,200	\$1,639,700	\$1,651,600	\$1,560,700
Long Term GF Borrowing	\$1,656,800	\$1,318,800	\$2,279,400	\$2,359,900
Total GF Borrowing	\$3,426,000	\$2,958,500	\$3,931,000	\$3,920,600
Working Capital*	(\$2,974,300)	(\$2,695,300)	(\$3,849,500)	(\$3,848,700)
90% Value of Fixed Assets	\$3,168,100	\$2,955,000	\$3,906,400	\$3,725,300
Amount (Over) Under Limit	\$193,800	\$259,700	\$56,900	(\$123,400)
ITS				
Short Term GF Borrowing	\$3,945,200	\$6,861,300	\$4,291,000	\$0
Long Term GF Borrowing	\$0	\$0	\$0	\$0
Total GF Borrowing	\$3,945,200	\$6,861,300	\$4,291,000	\$0
Working Capital*	\$732,400	(\$3,089,500)	(\$154,000)	\$3,714,100
90% Value of Fixed Assets	\$15,122,300	\$14,278,100	\$10,979,200	\$9,040,100
Amount (Over) Under Limit	\$15,854,700	\$11,188,600	\$10,825,200	\$12,754,200
Fleet Ops: Motor Pool				
Short Term GF Borrowing	\$16,456,600	\$14,264,200	\$14,667,500	\$15,504,200
Long Term GF Borrowing	\$11,516,400	\$12,273,900	\$13,454,200	\$8,202,800
Total GF Borrowing	\$27,973,000	\$26,538,100	\$28,121,700	\$23,707,000
Working Capital*	(\$26,631,200)	(\$25,113,700)	(\$27,069,800)	(\$23,167,100)
90% Value of Fixed Assets	\$54,864,300	\$51,505,600	\$52,985,100	\$49,318,700
Amount (Over) Under Limit	\$28,233,100	\$26,391,900	\$25,915,300	\$26,151,600
Fleet Ops: Fuel Network				
Short Term GF Borrowing	\$281,900	\$188,000	\$359,800	\$149,900
Long Term GF Borrowing	\$2,933,900	\$2,864,200	\$4,220,100	\$2,524,700
Total GF Borrowing	\$3,215,800	\$3,052,200	\$4,579,900	\$2,674,600
Working Capital*	(\$699,700)	(\$564,300)	(\$293,500)	\$360,500
90% Value of Fixed Assets	\$957,500	\$837,300	\$742,300	\$656,100
Amount (Over) Under Limit	\$257,800	\$273,000	\$448,800	\$1,016,600
Fleet Ops: Federal Surplus Property				
Short Term GF Borrowing	\$0	\$10,400	\$16,100	\$135,900
Long Term GF Borrowing	\$171,100	\$113,700	\$106,200	\$0
Total GF Borrowing	\$171,100	\$124,100	\$122,300	\$135,900
Working Capital*	(\$74,000)	(\$94,100)	(\$123,700)	(\$92,700)
90% Value of Fixed Assets	\$374,300	\$358,800	\$302,200	\$325,400
Amount (Over) Under Limit	\$300,300	\$264,700	\$178,500	\$232,700
Risk Management: Insurance				
Short Term GF Borrowing	\$0	\$0	\$597,800	\$1,558,100
Long Term GF Borrowing	\$0	\$0	\$1,643,100	\$85,000
Total GF Borrowing	\$0	\$0	\$2,240,900	\$1,643,100
Working Capital*	\$37,715,500	\$38,473,000	\$39,123,500	\$40,450,600
90% Value of Fixed Assets	\$98,000	\$73,700	\$50,200	\$31,600
Amount (Over) Under Limit	\$37,813,500	\$38,546,700	\$39,173,700	\$40,482,200
Total General Fund Borrowing	\$38,731,100	\$39,534,200	\$43,286,800	\$32,081,200

*Working Capital = Current Assets - Current Liabilities - Long Term GF Borrowing

Table 49

Total General Fund borrowing **dropped by 26 percent in FY 2005** after steadily increasing in the prior three years. Most of this decrease is attributed to reduced borrowing by Fleet Operations, but a large part is also due to

reductions by ITS as it prepares to move to the new Department of Technology Services.

*Publishing Program
Outsourced*

The General Services Printing program's deficit working capital exceeded 90 percent of the value of its fixed assets in FY 2005, a situation that put it out of compliance with statute. The division is taking steps to correct the problem, primarily by outsourcing printing services to a private vendor. Proposed rates for FY 2007 include a \$0.004 per page debt elimination fee. By privatizing, the division hopes to save customer agencies as much as forty percent while still reducing debt.

*Agencies must pay
approved ISF rates*

Agencies must pay ISF rates regardless of additional appropriations to their budgets. Internal Service Fund rates are set by the Legislature based on recommendations from the Rate Committee. Over the years the Legislature has provided agencies with additional funds to pay for rate increases, although many times that additional funding has come from savings in other rates (primarily from ITS reductions). During times of significant budget constraints, the Legislature could not always provide additional funds to cover increasing rates. Neither does the Legislature always bestow General Funds, but rather appropriates from funding sources already in an agency's budget. This may put agencies in a difficult position, but it also gives them an incentive to more carefully monitor the services they purchase and the rates they pay.

If agencies do not believe the rates are appropriate, they may take their complaint to the Rate Committee, which has the power to lower rates during the interim. Agencies can lower costs by driving fewer miles, cutting down on mail, reducing services for facility management or resizing their fleet.

Funding Detail

Dedicated Credits come from charges to customer agencies. Premiums are collected by Risk Management for its insurance programs. Restricted revenue comes from the Workers Compensation Fund administered by Risk Management.

Internal Service Fund History - Department of Administrative Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	542,200	1,080,100	0	0	0
Dedicated Credits Revenue	413,700	387,100	668,300	771,400	549,700
Premiums	23,657,400	24,416,700	25,849,300	26,820,900	25,748,300
Licenses/Fees	191,400	166,700	21,800	9,200	0
Interest Income	2,344,400	2,161,100	1,446,700	2,121,500	1,552,600
Ded Credits - Intragvt Rev	126,739,800	119,662,400	123,850,700	131,321,700	126,720,500
Sale of Fixed Assets	(52,300)	(1,223,600)	(601,000)	(53,400)	(600,000)
Restricted Revenue	6,658,000	6,345,300	6,108,500	7,350,900	7,434,500
Trust and Agency Funds	171,700	0	0	0	0
Transfers	456,600	360,600	0	0	0
Other Financing Sources	(17,100)	(1,800)	(800)	7,500	13,800
Total	\$161,105,800	\$153,354,600	\$157,343,500	\$168,349,700	\$161,419,400
Line Items					
ISF - Office of State Debt Collection	1,355,200	1,244,300	1,240,200	1,399,600	1,116,100
ISF - Purchasing & General Services	13,938,300	13,937,400	13,982,500	13,904,000	14,007,300
ISF - Information Technology Serv	58,449,000	49,737,500	48,262,100	49,857,200	47,920,600
ISF - Fleet Operations	36,297,100	37,239,900	41,223,000	48,021,400	44,132,100
ISF - Risk Management	31,892,400	32,230,700	32,853,500	35,681,700	34,182,800
ISF - Facilities Management	19,173,800	18,964,800	19,782,200	19,485,800	20,060,500
Total	\$161,105,800	\$153,354,600	\$157,343,500	\$168,349,700	\$161,419,400
Categories of Expenditure					
Personal Services	30,964,500	30,922,700	30,085,100	30,503,500	30,632,800
In-State Travel	130,700	93,600	58,000	78,700	116,000
Out of State Travel	139,900	60,800	46,400	58,800	57,100
Current Expense	96,651,100	89,220,700	91,133,200	100,702,200	100,387,700
DP Current Expense	12,479,200	9,003,600	7,857,900	8,523,100	8,124,900
DP Capital Outlay	6,509,500	6,892,000	(74,500)	184,200	0
Capital Outlay	13,100	0	5,796,500	4,399,400	3,988,200
Other Charges/Pass Thru	4,530,000	5,716,500	2,944,600	1,763,900	1,133,600
Operating Transfers	3,067,900	667,100	3,405,000	5,550,000	0
Depreciation	11,799,900	14,258,400	14,367,100	14,985,500	13,782,800
Total	\$166,285,800	\$156,835,400	\$155,619,300	\$166,749,300	\$158,223,100
Profit/Loss	(\$5,180,000)	(\$3,480,800)	\$1,724,200	\$1,600,400	\$3,196,300
Other Data					
Budgeted FTE	508.2	512.2	501.5	500.5	488.0
Actual FTE	509.9	497.1	484.3	471.8	0.0
Authorized Capital Outlay	43,368,400	21,060,400	25,187,300	20,776,000	18,344,800
Retained Earnings	21,021,100	17,540,100	18,812,300	20,412,700	23,609,000
Vehicles	316	317	283	261	286

Table 50

CHAPTER 17 OFFICE OF STATE DEBT COLLECTION (ISF)

Function Senate Bill 235 of the 1995 Legislative Session established the Office of State Debt Collection (OSDC). The program contracts with private vendors to assist in collection of outstanding debt.

In reality, OSDC operates differently than other Internal Service Fund agencies. Other Internal Service Funds provide general services to other state agencies; the OSDC collects past due bills for other agencies, but their funding is from debtors rather than customer agencies.

Statutory Authority Created in UCA 63A-8-201, the office has the following duties:

- Overall responsibility for collecting and managing state receivables
- Develop consistent policies governing collection and management of state receivables
- Oversee and monitor state receivables to make sure state agencies are implementing all appropriate collection methods, following established guidelines, and accounting for receivables appropriately
- Develop policies for accounting, reporting and collecting monies owed to the state
- Provide information and training to state agencies on collection-related topics
- Write an inclusive receivables management and collection manual
- Create and coordinate a state accounts receivable database
- Develop reasonable criteria to gauge agencies' efforts in maintaining an effective accounts receivables program
- Identify those agencies that are not making satisfactory progress toward collecting accounts receivable
- Coordinate procedures between agencies to maximize collection of past-due accounts receivable
- Establish an automated cash receipt process between agencies
- Establish procedures for writing off accounts receivable
- Establish time limits after which an agency will delegate responsibility to collect debts to the office

The office may:

- Collect debts for higher education entities if the entities agree
- Contract with private or state agencies to collect past-due accounts
- Obtain access to records of any state agency that are necessary

- Establish a fee to cover its administrative costs, on accounts administered by the office
- Establish late penalty fees not higher than ten percent of the amount due
- Charge interest not higher than two percent above prime
- Accept payment by credit card under certain circumstances

UCA 63A-8-204 requires the office to establish rules to govern collection techniques.

Accountability

The OSDC historical collections figure shows the effectiveness of collections practices by OSDC and the third party collection vendor.

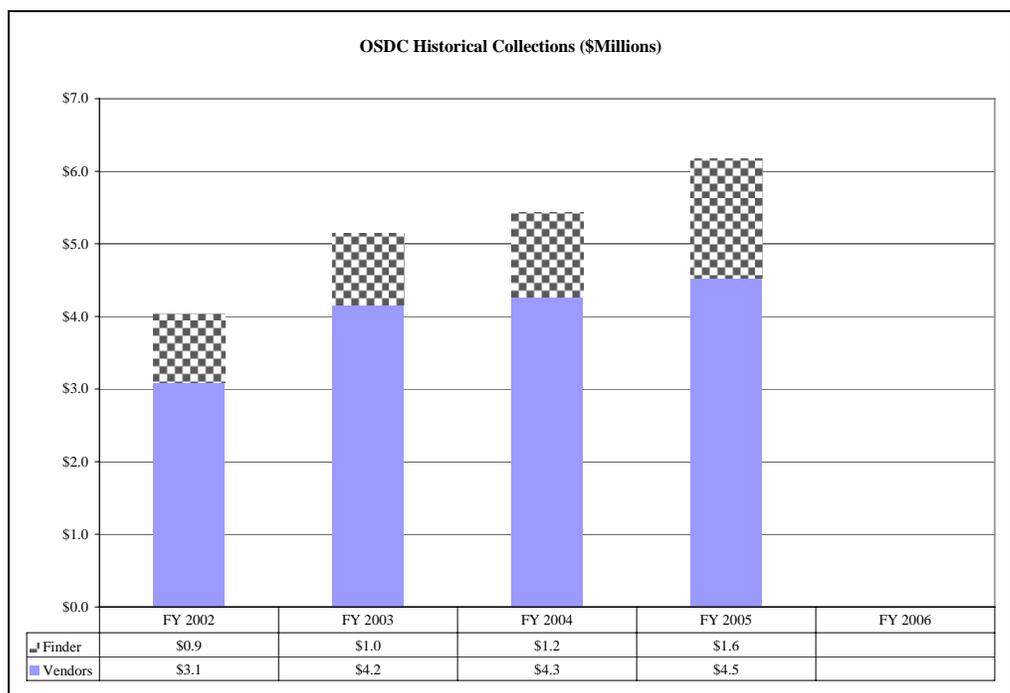


Figure 27

Measure: Actual amounts collected by OSDC using the FINDERS program and third party vendors utilizing their internal practices.

Goal: Continued increases in the amounts collected.

Methodology: Total amounts collected by third party collection vendors and FINDERS. These numbers represent all collection of accounts from all state agencies administered by OSDC and also include Tax Commission third party vendors.

Measure Type: Outcome.

Note: In total OSDC continues to collect more dollars than in previous years. This is the result of more efficiencies and improved processes. Ideally the amount of collections will increase each year.

The cost to collect one dollar measures the efficiency of OSDC in collecting receivables for the state. Higher amounts mean the office is less efficient.

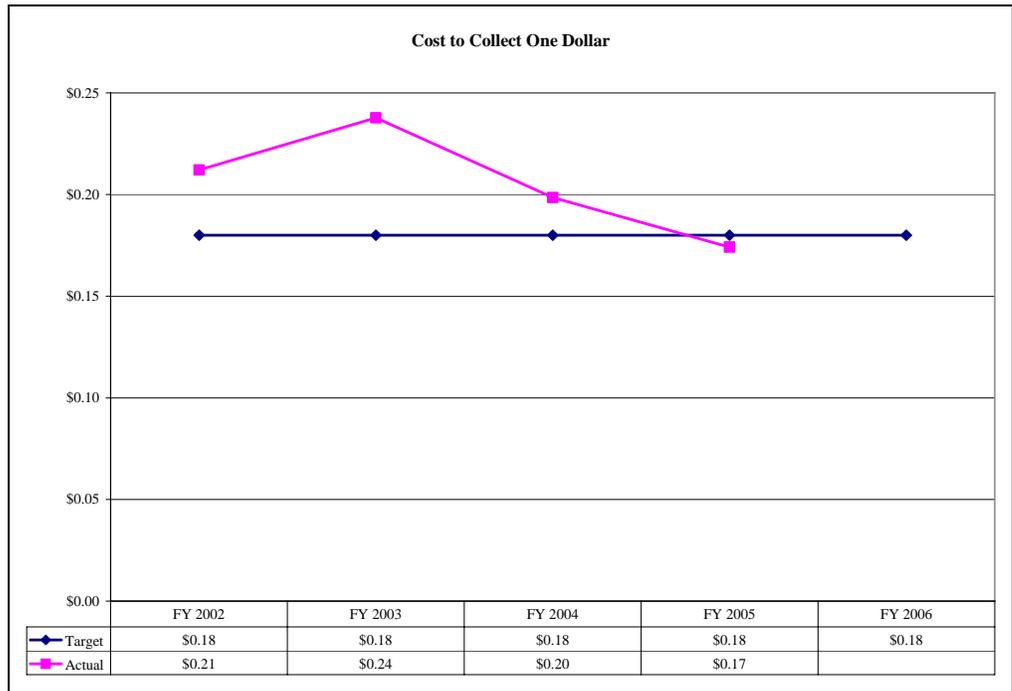


Figure 28

Measure: OSDC cost to collect one dollar.

Goal: Continued decreases in the cost to collect one dollar, remaining below eighteen cents.

Methodology: OSDC expenditures divided by collections.

Measure Type: Efficiency.

Note: OSDC reached its target in FY 2005. This is the result of increasing collections without increasing FTE.

Another indicator of efficient collections is done by comparing percentage of delinquent receivables collected by OSDC to the U.S. government average.

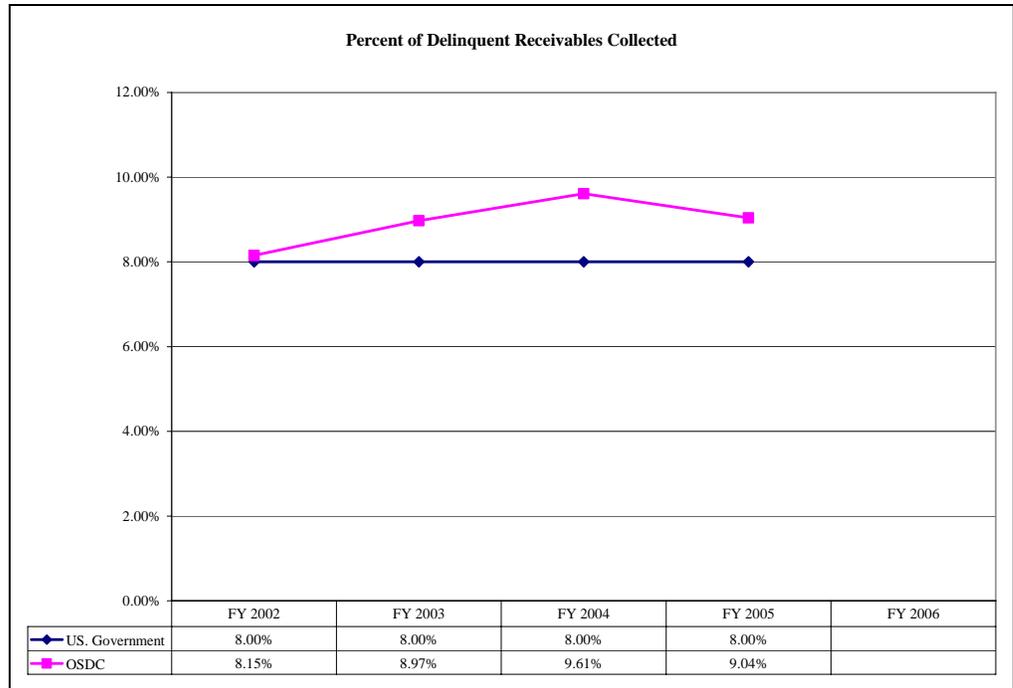


Figure 29

Measure: Percent of delinquent receivables collected, compared to the U.S. government average.

Goal: OSDC will be equal to or above the U.S. government average.

Methodology: The U.S. government figure is obtained from audits performed by an accounting firm. The OSDC percentage is calculated by dividing the total collected by the net receivable balance.

Measure Type: Outcome.

Note: OSDC received thousands of new accounts from the Department of Corrections in FY 2005. OSDC had not received accounts from Corrections in prior years, thus accounting for the downward trend in FY 2005. As OSDC’s vendors become familiar with collecting this type of debt, the percentage may increase. This measure is used because the U.S. government collects many of the same types of receivables as the state.

Retained Earnings

The OSDC is designed to funnel past-due receivables back to the General Fund. As such, it should keep only enough funds from collections to cover operating costs. When the program was new, it built up sufficient retained earnings that the Legislature appropriated them as one-time funds to various state needs. The Legislature has the option of appropriated retained earnings directly to the General Fund or to one-time needs across the state.

<u>OSDC Retained Earnings</u>	
FY 2001	\$600,300
FY 2002	\$639,800
FY 2003	\$206,000
FY 2004	\$236,100
FY 2005	\$399,600

OSDC transferred over \$600,000 to the state in FY 2003. In FY 2004 and 2005 OSDC transferred \$50,000 each to the General Fund. OSDC also transfers approximately \$420,000 to the district courts each year to fund collection expenses.

Funding Detail

Revenue is generated for the program by assessing an administrative fee against each collection. No tax funds are appropriated to this program. Since revenues do not come from customer agencies, this budget does not include “intra-governmental revenue” as most ISF budgets do.

ISF History - Department of Administrative Services - Office of State Debt Collection - ISF - Debt Collection					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	413,700	387,100	668,300	771,400	549,700
Licenses/Fees	191,400	166,700	21,800	9,200	0
Interest Income	767,200	692,300	550,900	611,500	552,600
Other Financing Sources	(17,100)	(1,800)	(800)	7,500	13,800
Total	\$1,355,200	\$1,244,300	\$1,240,200	\$1,399,600	\$1,116,100
Categories of Expenditure					
Personal Services	282,700	320,800	339,400	353,100	333,900
In-State Travel	300	100	200	200	200
Out of State Travel	600	0	0	0	0
Current Expense	276,200	252,500	378,900	373,600	310,800
DP Current Expense	16,500	15,700	9,800	20,000	20,600
Other Charges/Pass Thru	388,700	421,900	431,700	439,200	450,600
Operating Transfers	350,700	667,100	50,000	50,000	0
Total	\$1,315,700	\$1,678,100	\$1,210,000	\$1,236,100	\$1,116,100
Profit/Loss	\$39,500	(\$433,800)	\$30,200	\$163,500	\$0
Other Data					
Budgeted FTE	4.0	5.0	5.0	5.0	5.0
Actual FTE	4.0	4.9	5.2	5.0	0.0
Retained Earnings	639,800	206,000	236,100	399,600	399,600

Table 51

CHAPTER 18 PURCHASING AND GENERAL SERVICES (ISF)

Function	<p>In 1997 the Legislature reorganized the Department of Administrative Services, merging Central Copying, Central Mail, and Central Stores into the Division of Purchasing. The new division became the Division of Purchasing and General Services. The General Services functions of the division are budgeted as internal service funds. The procurement function that enables other agencies to contract for goods and services is budgeted separately in the appropriated fund section.</p> <p>The internal service fund programs in this line item include:</p> <ul style="list-style-type: none">➤ Administration➤ Central Mailing➤ Electronic Purchasing➤ Print Services
Statutory Authority	<p>Utah Code (63A-2-103) directs the Division of Purchasing and General Services to operate and maintain:</p> <ul style="list-style-type: none">➤ A central mailing service➤ An electronic central store system for procuring goods and services <p>The director may establish microfilming, duplicating, printing, addressograph, and other central services.</p> <p>Each state agency must subscribe to the division's central services unless the director delegates this authority as required by UCA 63A-2-104.</p> <p>Regarding the ISF, UCA 63A-2-103(3) requires the director to:</p> <ul style="list-style-type: none">➤ Establish a schedule of fees to be charged for all services provided to any department or agency➤ Submit proposed fees for services to the Rate Committee and obtain approval from the Legislature➤ Ensure that fees are approximately equal to the cost of providing the service➤ Conduct a market analysis by July 1, 2005 and periodically thereafter of fees, comparing division rates with fees of other public or private sector providers

Funding Detail

This budgetary line item contains four programs. However, the Administration program exists only to account for overhead costs of services provided to the other three programs.

ISF History - Department of Administrative Services - Division of Purchasing and General Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	13,990,600	13,931,400	13,974,200	13,918,100	14,007,300
Sale of Fixed Assets	(52,300)	6,000	8,300	(14,100)	0
Total	\$13,938,300	\$13,937,400	\$13,982,500	\$13,904,000	\$14,007,300
Programs					
ISF - Central Mailing	8,684,300	8,814,900	8,904,000	9,119,500	8,817,000
ISF - Electronic Purchasing	342,400	352,300	325,400	329,600	324,000
ISF - Print Services	4,911,600	4,770,200	4,753,100	4,454,900	4,866,300
Total	\$13,938,300	\$13,937,400	\$13,982,500	\$13,904,000	\$14,007,300
Categories of Expenditure					
Personal Services	2,475,900	2,467,400	2,526,800	2,494,000	2,551,300
In-State Travel	8,200	11,900	8,400	6,200	8,300
Out of State Travel	2,400	900	1,200	1,000	1,400
Current Expense	9,442,000	9,746,500	9,786,600	9,837,700	9,315,400
DP Current Expense	41,100	33,000	39,200	24,300	39,300
Other Charges/Pass Thru	(307,200)	(281,700)	(292,100)	(236,000)	(286,700)
Operating Transfers	8,300	0	0	0	0
Depreciation	1,525,000	1,462,300	1,641,500	1,724,100	2,085,900
Total	\$13,195,700	\$13,440,300	\$13,711,600	\$13,851,300	\$13,714,900
Profit/Loss	\$742,600	\$497,100	\$270,900	\$52,700	\$292,400
Other Data					
Budgeted FTE	63.0	63.0	63.0	63.5	60.0
Actual FTE	63.2	62.0	61.2	57.8	0.0
Authorized Capital Outlay	4,361,200	1,418,600	2,359,400	1,899,900	3,861,000
Retained Earnings	230,400	727,400	998,300	1,051,000	1,343,400
Vehicles	13	16	16	14	16

Table 52

PROGRAMS – PURCHASING AND GENERAL SERVICES

ADMINISTRATION

Function

The administration program is set up to account for the indirect costs (administrative overhead) in delivering the services of the other three central services programs. The functions of divisional management, budgeting, accounting, and clerical support are managed within this program. The programs are billed in proportion to their share of the total division budget.

Accountability

Administration costs should be kept as low as possible so resources can be used for providing services to customer agencies.

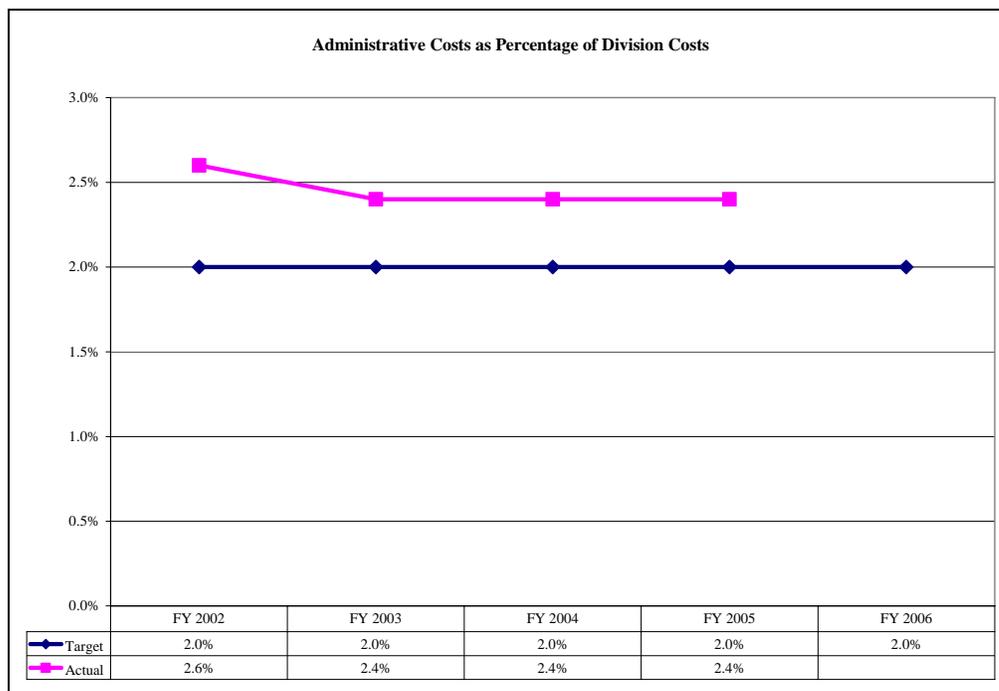


Figure 30

Measure: Administrative costs as a percentage of total division costs.

Goal: Maintain administrative costs below two percent of total division budget.

Methodology: Ratio between total administrative expenses versus total division budget (not counting depreciation expenses).

Measure Type: Outcome.

Note: The above graph shows the division is maintaining its overhead rates just above two percent. The Analyst does not include approximately \$13 million in depreciation expenses because they occur automatically as a result of aging equipment.

Funding Detail

All expenditures are passed through to the programs in proportion to their share of the total division budget.

ISF History - Department of Administrative Services - ISF - General Services Administration					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Total	\$0	\$0	\$0	\$0	\$0
Categories of Expenditure					
Personal Services	253,100	220,800	224,200	231,000	221,300
In-State Travel	0	1,100	0	0	0
Current Expense	29,000	33,100	31,100	34,100	31,100
DP Current Expense	35,100	29,600	34,200	23,300	34,300
Other Charges/Pass Thru	(307,200)	(281,700)	(292,100)	(288,400)	(286,700)
Total	\$10,000	\$2,900	(\$2,600)	\$0	\$0
Profit/Loss	(\$10,000)	(\$2,900)	\$2,600	\$0	\$0
Other Data					
Budgeted FTE	3.0	3.0	3.0	3.0	3.0
Actual FTE	3.8	4.0	3.4	3.0	0.0
Retained Earnings	(2,800)	(5,700)	(3,100)	(3,100)	(3,100)

Table 53

CENTRAL MAILING

Function

State Mail provides mail services for agencies throughout the state. The Tax Commission and Department of Human Services mail operations were consolidated with State Mail in FY 1995, creating one of the most centralized state mail operations in the nation. The automation of mail functions in a centralized facility reduces the time that agencies spend on these functions and increases overall efficiency.

State Mail is established to provide services in a way that minimizes costs to state agencies. Bar coding and presorting of mail allows agencies to receive maximum postal discounts. Reduced rates reflect postal discounts obtained through mail automation and consolidation. Mail Services also provides agencies with an effective way to process their outgoing mail stream. Collation, bursting, sorting, and inserting are all automated functions that were often performed by hand or outsourced at a much higher rate.

Accountability

State Mail Services is primarily a production environment. Efficiency can be measured by calculating the number of tasks performed per hour.

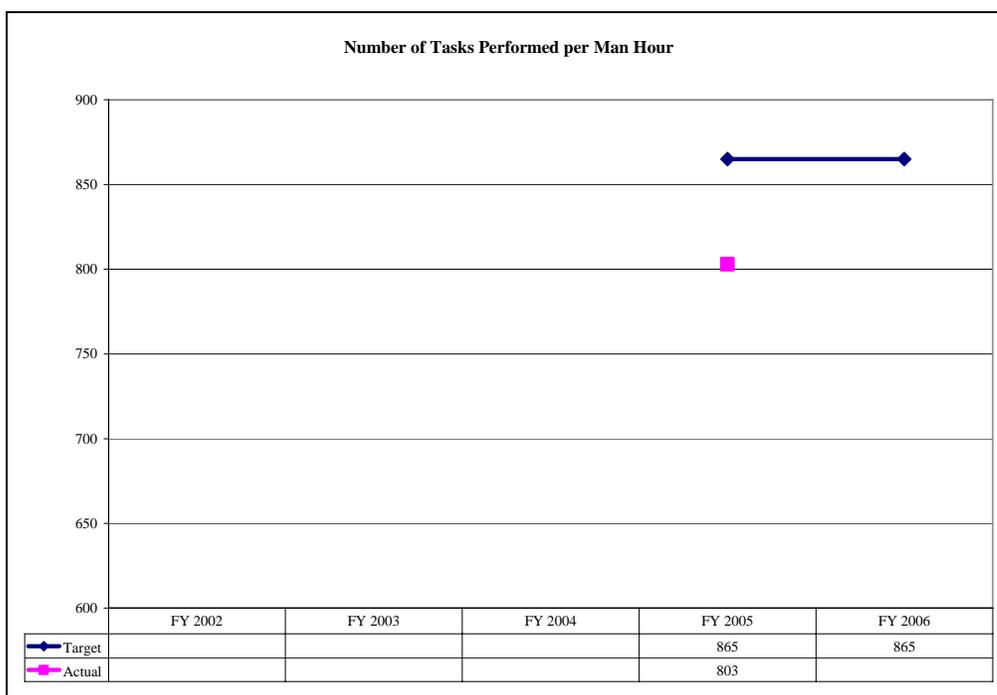


Figure 31

Measure: Number of tasks performed per man hour.

Goal: Increase productivity and efficiency by reaching a level of 865 tasks completed per hour.

Methodology: Calculation of tasks performed divided by total man hours. A “task” is each process for which the program has established a rate (e.g. folding, inserting, metering, OCRing, etc.). Data are collected through barcodes containing billing information. The central accounting system tracks each task by mail account for monthly billing.

Measure Type: Efficiency

Note: State Mail has established an aggressive target to reach 865 tasks completed per hour.

Funding Detail

Rates charged by this ISF will be provided to the Legislature for its review and approval during the 2006 General Session.

ISF History - Department of Administrative Services - ISF - Central Mailing					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	8,740,800	8,814,900	8,904,000	9,131,900	8,817,000
Sale of Fixed Assets	(56,500)	0	0	(12,400)	0
Total	\$8,684,300	\$8,814,900	\$8,904,000	\$9,119,500	\$8,817,000
Categories of Expenditure					
Personal Services	1,317,200	1,406,700	1,427,000	1,490,800	1,406,300
In-State Travel	4,100	4,800	3,800	3,800	3,800
Out of State Travel	1,500	500	800	500	800
Current Expense	6,617,100	7,037,800	7,118,800	7,307,700	7,118,800
DP Current Expense	2,300	1,800	200	100	200
Operating Transfers	8,300	0	0	0	0
Depreciation	99,200	73,900	102,900	136,000	201,800
Total	\$8,049,700	\$8,525,500	\$8,653,500	\$8,938,900	\$8,731,700
Profit/Loss	\$634,600	\$289,400	\$250,500	\$180,600	\$85,300
Other Data					
Budgeted FTE	38.0	38.0	38.0	38.8	38.8
Actual FTE	38.3	38.2	38.7	40.0	0.0
Authorized Capital Outlay	1,222,200	160,000	73,500	492,400	505,000
Retained Earnings	1,310,800	1,600,200	1,850,700	2,031,300	2,116,600
Vehicles	11	14	14	14	14

Table 54

ELECTRONIC PURCHASING

Function

Prior to 1997, Central Stores was the state's outlet for office and specialty supplies. Supplies were furnished at an average markup of twenty two percent rather than the thirty to forty percent charged by wholesale/retail operations. Beginning in 1997 Central Stores became a stockless, vendor direct operation. Instead of warehousing supplies purchased in bulk, the program uses private sector vendors to make direct deliveries and invoicing to state agencies and institutions. Office supplies are delivered directly to agency desktops within 24 hours of order receipt.

The "P-Card" streamlines processes

The Purchasing Card or P-Card is a Visa card that is designed to supplement or eliminate a variety of processes including petty cash, local check writing, low-value authorizations and small dollar purchase orders. It provides a more efficient, cost effective method of purchasing and payment for small dollar transactions.

The P-Card can be used for in-store purchases as well as mail, e-mail, telephone and fax orders. Each card carries pre-established transaction and monthly credit limits. Agencies may further limit transaction amounts and the number of daily transactions. The P-Card's Merchant Category Codes prevent use with inappropriate or high risk vendors.

Accountability

Since use of the P-Card has established itself as the most efficient way to make small purchases, the volume of P-Card purchasing is an indicator of statewide efficiency in making small transactions.

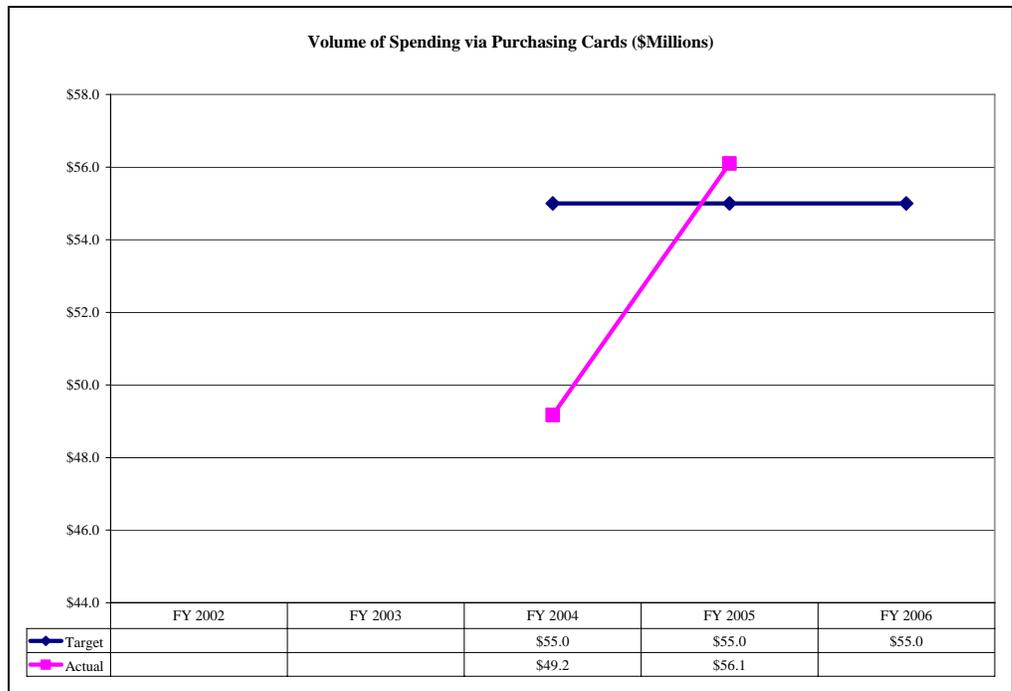


Figure 32

Measure: Volume of spending via P-Cards

Goal: Increased awareness and use of using P-Card for small purchasing transactions.

Methodology: Calculation of dollar amounts (in millions).

Measure Type: Output/Efficiency

Funding Detail

Rates charged by this ISF will be provided to the Legislature for its review and approval during the 2006 General Session.

ISF History - Department of Administrative Services - ISF - Electronic Purchasing					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	342,400	352,300	325,400	329,600	324,000
Total	\$342,400	\$352,300	\$325,400	\$329,600	\$324,000
Categories of Expenditure					
Personal Services	128,300	111,200	133,900	137,900	223,100
In-State Travel	800	800	1,300	700	1,200
Current Expense	49,700	72,000	72,400	65,700	72,500
DP Current Expense	400	0	2,800	500	2,800
Other Charges/Pass Thru	0	0	0	52,400	0
Total	\$179,200	\$184,000	\$210,400	\$257,200	\$299,600
Profit/Loss	\$163,200	\$168,300	\$115,000	\$72,400	\$24,400
Other Data					
Budgeted FTE	5.0	5.0	4.0	4.0	4.0
Actual FTE	2.7	2.0	2.4	2.3	0.0
Retained Earnings	32,100	200,300	315,300	387,700	412,100

Table 55

PRINT SERVICES

Function

Print Services operates a self-service copier program and service centers. The division now has a contract with Xerox to operate service centers providing high speed copying and finishing services, though the program is still managed by the division. The program seeks to offer high quality copy services at below market prices. Agencies are not required to use State Print Services if other options are more cost effective. The division hopes that contracting the service centers will result in approximately forty percent savings to customer agencies while eliminating negative retained earnings.

Accountability

In addition to service centers contracted to Xerox, the program still leases self-service copiers to agencies. The rate at which customers renew their accounts is a good measure of the value provided by the service.

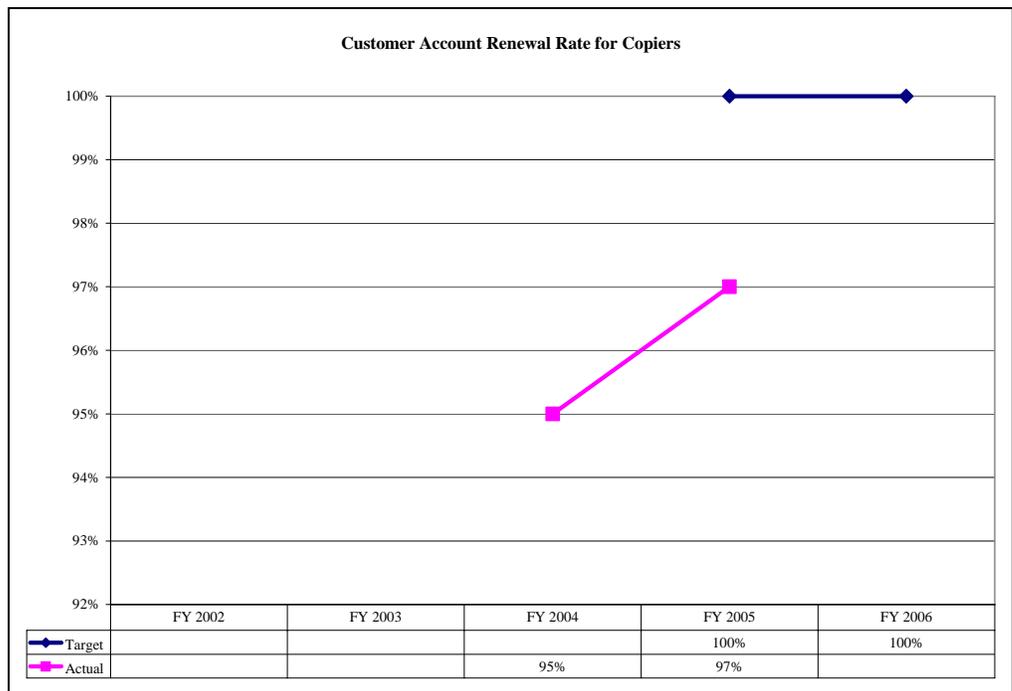


Figure 33

Measure: Customer account renewal rate for copiers.

Goal: 100% renewal rate.

Methodology: Number of customers who renew their copier lease, divided by the total number of prior customers.

Measure Type: Outcome.

Note: This is a measure of customer satisfaction both with customer service provided by the program and the financial value of the service. The program will need to stretch to reach its target of 100%.

Retained Earnings

Several years ago the Legislature expressed concern over the number and dispersion of expensive copier/publishing systems. In response, the division consolidated operations and reduced equipment in an effort to return to

profitability and begin reversing losses in retained earnings. However, the division was not able to reduce its debt. Further, the division's deficit working capital fell below the statutory limit of 90 percent of the value of its fixed assets in FY 2005. Agencies continue moving toward digital copying on their own equipment, reducing demand for copy center services.

Print Services Retained Earnings

FY 2001	(\$1,604,500)
FY 2002	(\$1,109,700)
FY 2003	(\$1,067,400)
FY 2004	(\$1,164,600)
FY 2005	(\$1,364,900)

The division is taking steps to correct the problem, primarily by outsourcing printing services to a private vendor. Proposed rates for FY 2007 include a \$.004 per page debt elimination fee.

Funding Detail

Rates charged by this ISF will be provided to the Legislature for its review and approval during the 2006 General Session.

ISF History - Department of Administrative Services - ISF - Print Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	4,907,400	4,764,200	4,744,800	4,456,600	4,866,300
Sale of Fixed Assets	4,200	6,000	8,300	(1,700)	0
Total	\$4,911,600	\$4,770,200	\$4,753,100	\$4,454,900	\$4,866,300
Categories of Expenditure					
Personal Services	777,300	728,700	741,700	634,300	700,600
In-State Travel	3,300	5,200	3,300	1,700	3,300
Out of State Travel	900	400	400	500	600
Current Expense	2,746,200	2,603,600	2,564,300	2,430,200	2,093,000
DP Current Expense	3,300	1,600	2,000	400	2,000
Depreciation	1,425,800	1,388,400	1,538,600	1,588,100	1,884,100
Total	\$4,956,800	\$4,727,900	\$4,850,300	\$4,655,200	\$4,683,600
Profit/Loss	(\$45,200)	\$42,300	(\$97,200)	(\$200,300)	\$182,700
Other Data					
Budgeted FTE	17.0	17.0	18.0	17.8	14.3
Actual FTE	18.4	17.8	16.8	12.5	0.0
Authorized Capital Outlay	3,139,000	1,258,600	2,285,900	1,407,500	3,356,000
Retained Earnings	(1,109,700)	(1,067,400)	(1,164,600)	(1,364,900)	(1,182,200)
Vehicles	2	2	2	0	2

Table 56

CHAPTER 19 DIVISION OF INFORMATION TECHNOLOGY SERVICES (ISF)

Function	<p>The Division of Information Technology Services (ITS) provides centralized data processing and communication service to all agencies of state government as well as various local entities. The division has authority to establish rates and collect fees for those services.</p> <p>ITS' data processing services include software licensing and development, central computing, wide area network connectivity, and consultation. Its telecommunications services include negotiating the purchase, lease or rental of private or public telecommunications services, and operating the state's network of microwave sites.</p> <p>ITS will remain in operation through fiscal year 2006. On July 1, 2006 (Fiscal Year 2007), ITS will cease to exist. By that time, per <i>Information Technology Governance Amendments</i> (H.B. 109, 2005 General Session), ITS' operations shall be transferred to a new department – the Department of Technology Services (DTS). For more information on DTS, see chapters 23 and 24.</p>
Statutory Authority	<p>The following sections of Utah code govern the Division of Information Technology Services. The first title is repealed by <i>Information Technology Governance Amendments</i> (H.B. 109, 2005 General Session).</p> <ul style="list-style-type: none"> ➤ Title 63A Chapter 6 "Utah Administrative Services Code" creates ITS within the Department of Administrative Services, and delineates the division's responsibilities; ➤ Title 63 Chapter 38 "Budgetary Procedures Act" defines internal service funds, including ITS, and sets guidelines for their operations.
Intent Language	<p>During the 2005 General Session the Legislature adopted the following intent language in the <i>Supplemental Appropriations Act</i> (S.B. 1, 2005 General Session), for FY 2005:</p> <p style="padding-left: 40px;"><i>The Legislature intends that, under the terms and conditions of Utah Code Annotated 63-38-8.2, \$1,347,000 in capital outlay authority granted to the Division of Information Technology Services for Fiscal Year 2005 shall not lapse. The Legislature intends that this authority will be used for the following projects: Campus Network Expansion; Intrusion Protection System; Microwave Expansion; RACF/UMD Integration; WAN Access Upgrades; WAN Distribution Upgrades.</i></p>
Accountability	<p>The following three high-level measures attempt to capture ITS' performance in financial, technical, and customer service aspects.</p> <p>Measure: Annual Profit/(Loss) (See figure 34)</p> <p>Goal: Full cost recovery without excess retained earnings as prescribed by statute</p> <p>Methodology: This measure is derived from annual financial statements.</p> <p>Measure Type: Input</p>

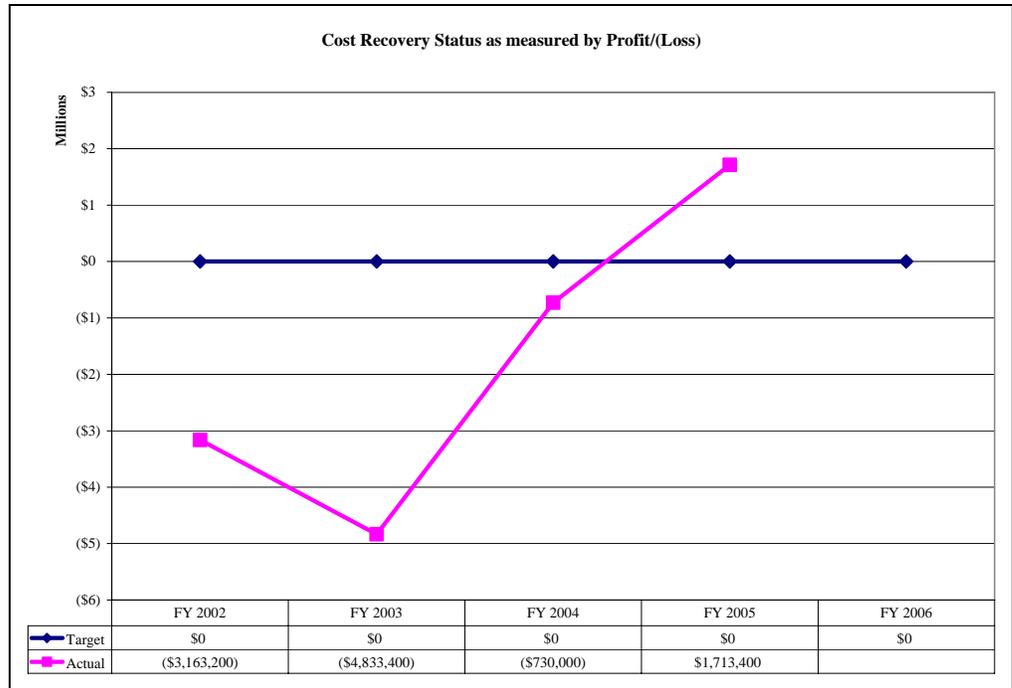


Figure 34

Measure: Percentage of Average Annual “Up” Time (See Figure 35)

Goal: A reliable and robust wide area network

Methodology: This measure is derived from technical management tools used regularly by ITS network administrators.

Measure Type: Output

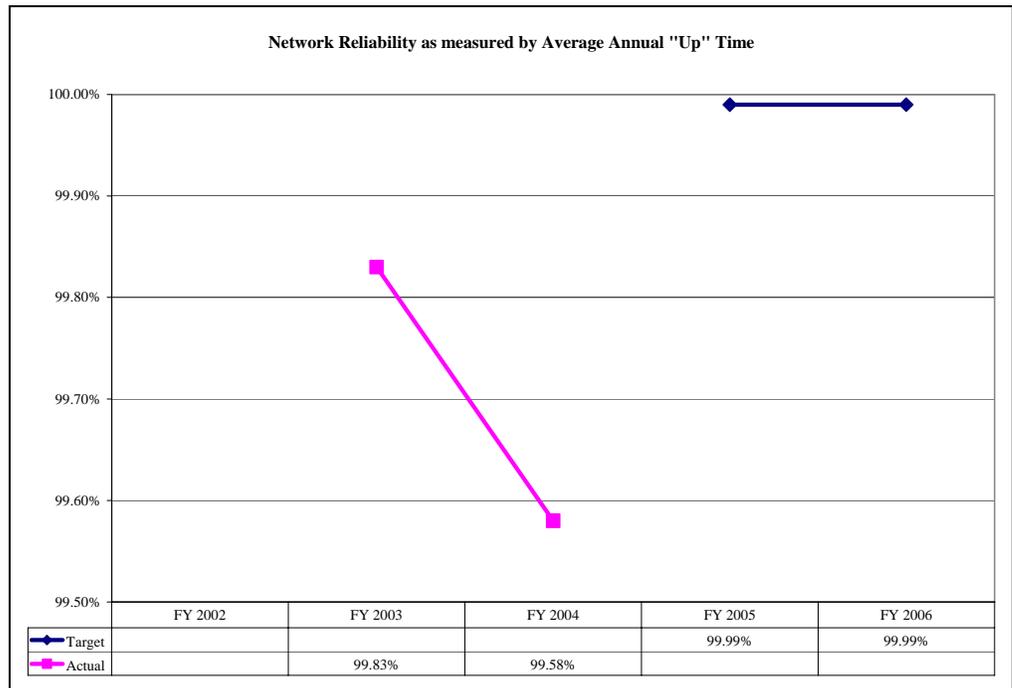


Figure 35

Measure: Customer Satisfaction on a Scale of 1 – 5 (5 = Very Satisfied) (See Figure 36)

Goal: Outstanding customer service

Methodology: This measure is derived using random surveys.

Measure Type: Outcome

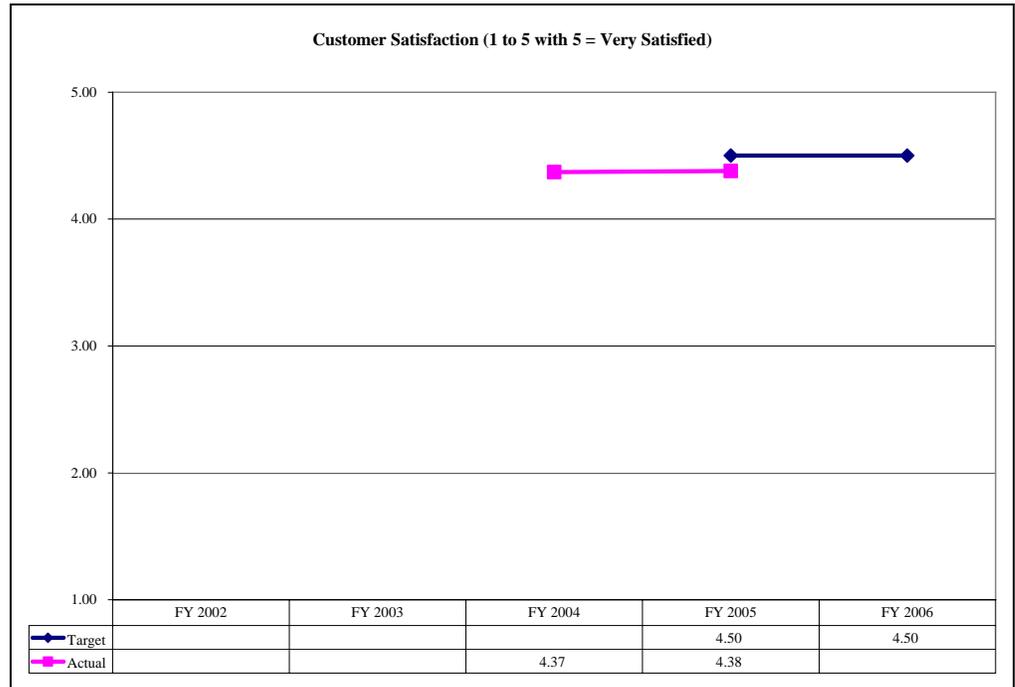


Figure 36

Funding Detail

There are fourteen separate programs in this division. More detail on each program is provided below.

ISF History - Department of Administrative Services - Division of Information Technology Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	542,200	1,080,100	0	0	0
Dedicated Credits - Intragvt Rev	57,450,200	48,296,800	48,262,100	49,857,200	47,920,600
Transfers	456,600	360,600	0	0	0
Total	\$58,449,000	\$49,737,500	\$48,262,100	\$49,857,200	\$47,920,600
Programs					
ISF - ITS Administration and Finance	0	0	0	(117,400)	0
ISF - Network Services	11,802,700	11,059,900	12,808,900	13,872,600	12,709,200
ISF - Voice Services	16,240,300	16,331,900	16,805,100	15,567,800	14,581,100
ISF - Computing	20,054,200	0	0	2,500	0
ISF - Mainframe Hosting	0	14,122,200	38,929,200	56,448,500	13,815,100
ISF - Desktop/LAN Support	0	4,708,800	4,790,900	4,691,400	4,817,500
ISF - Storage Services	0	2,514,400	4,277,000	3,636,800	913,600
ISF - Web Hosting	0	206,500	203,500	326,800	334,000
ISF - Application Development	0	137,200	891,600	397,200	562,500
ISF - Reporting Services	0	0	0	2,400	127,000
ISF - Wireless Tech Services	2,674,900	2,091,300	1,923,400	1,866,800	884,200
ISF - ITS Support Services	5,071,700	552,200	502,000	953,800	786,800
ISF - Automated Geographic Ref Ctr	2,605,200	2,206,900	0	0	0
ISF - Clearing	0	(4,193,800)	(32,869,500)	(47,792,000)	(1,610,400)
Total	\$58,449,000	\$49,737,500	\$48,262,100	\$49,857,200	\$47,920,600
Categories of Expenditure					
Personal Services	17,767,800	18,066,000	17,267,600	17,247,300	17,350,600
In-State Travel	81,300	46,700	26,000	37,700	70,400
Out of State Travel	100,300	38,700	29,100	41,400	29,600
Current Expense	22,231,300	17,589,100	17,575,100	17,111,700	18,384,000
DP Current Expense	11,986,600	8,508,500	7,178,100	7,738,200	7,386,200
DP Capital Outlay	6,410,900	6,880,200	(74,500)	184,200	0
Capital Outlay	0	0	5,796,500	4,399,400	3,988,200
Other Charges/Pass Thru	3,034,300	3,443,000	742,200	1,383,900	711,600
Total	\$61,612,500	\$54,572,200	\$48,540,100	\$48,143,800	\$47,920,600
Profit/Loss	(\$3,163,500)	(\$4,834,700)	(\$278,000)	\$1,713,400	\$0
Other Data					
Budgeted FTE	243.0	248.0	240.0	240.7	236.0
Actual FTE	249.6	250.7	236.7	227.8	0.0
Authorized Capital Outlay	6,410,900	5,745,800	5,732,800	6,072,500	0
Retained Earnings	11,018,100	6,183,400	5,453,400	7,166,800	7,166,800
Vehicles	20	23	24	23	23

Table 57

PROGRAMS – DIVISION OF INFORMATION TECHNOLOGY SERVICES

ADMINISTRATION AND FINANCE

Function ITS’ Administration and Finance functional area provides direction, prepares budgets, develops rates, tracks finances, manages billing systems and contracts, and performs technical writing for ITS. It includes the following activities:

- Director's Office
- Administration & Finance
- Accounting
- Budgets & Rates
- Internal Financial Systems
- Management Services
- Office Supplies & Miscellaneous

Funding Detail ITS distributes costs associated with overhead – such as administrative functions – to each of its operating units. The sum of administrative costs is delineated below, but there is no revenue associated with this function.

ISF History - Department of Administrative Services - ITS Administration and Finance					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	0	0	0	(117,400)	0
Total	\$0	\$0	\$0	(\$117,400)	\$0
Categories of Expenditure					
Personal Services	1,609,400	7,162,700	3,308,800	3,779,000	4,534,500
In-State Travel	1,100	4,200	3,500	4,300	70,400
Out of State Travel	6,700	14,100	3,900	6,900	29,600
Current Expense	182,000	459,900	355,800	449,500	247,200
DP Current Expense	275,100	691,200	8,128,600	1,822,700	352,400
DP Capital Outlay	8,900	473,900	0	0	0
Capital Outlay	0	0	679,500	338,900	357,200
Other Charges/Pass Thru	378,700	(8,806,200)	(12,480,000)	852,200	(5,591,300)
Total	\$2,461,900	(\$200)	\$100	\$7,253,500	\$0
Profit/Loss	(\$2,461,900)	\$200	(\$100)	(\$7,370,900)	\$0
Other Data					
Budgeted FTE	27.0	25.0	29.0	50.9	61.8
Actual FTE	24.9	35.9	49.2	56.4	0.0
Authorized Capital Outlay	8,900	5,745,800	0	6,072,500	0
Retained Earnings	(1,536,500)	(1,536,300)	(1,988,400)	(9,359,300)	(9,359,300)
Vehicles	1	1	1	1	0

Table 58

NETWORK SERVICES

Function

The Network Services product family supplies and maintains the circuits upon which many of ITS' services "ride". It incorporates wide area data networks, long-haul trunk circuits, wireless and mobile data communications, and associated security applications. It includes the following products:

- Wide Area Network
- Remote Access
- Wiring Materials and Labor
- Microwave Circuits
- Communications Sites
- State Repeater System
- Law Enforcement System
- Wireless LAN
- 802.11 Hotspots and IP Mobile Data
- Utah Master Directory (UMD) and Web Authentication

Funding Detail

A five year funding history for this program is shown below.

ISF History - Department of Administrative Services - ISF - Network Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	11,802,700	11,059,900	12,808,900	13,872,600	12,709,200
Total	\$11,802,700	\$11,059,900	\$12,808,900	\$13,872,600	\$12,709,200
Categories of Expenditure					
Personal Services	2,604,600	1,181,700	2,659,400	2,463,100	2,768,200
In-State Travel	3,900	4,400	2,900	2,900	0
Out of State Travel	11,000	1,500	6,400	14,600	0
Current Expense	5,699,400	5,380,000	6,233,300	7,398,000	5,232,400
DP Current Expense	1,261,200	1,572,200	1,392,000	1,969,400	2,031,400
DP Capital Outlay	1,627,600	1,585,100	0	0	0
Capital Outlay	0	0	1,187,800	1,091,100	1,522,000
Other Charges/Pass Thru	1,182,500	2,451,300	2,359,700	90,400	860,300
Total	\$12,390,200	\$12,176,200	\$13,841,500	\$13,029,500	\$12,414,300
Profit/Loss	(\$587,500)	(\$1,116,300)	(\$1,032,600)	\$843,100	\$294,900
Other Data					
Budgeted FTE	40.0	34.0	34.0	33.7	34.7
Actual FTE	32.6	24.7	27.7	28.4	0.0
Authorized Capital Outlay	1,627,600	0	1,603,800	0	0
Retained Earnings	(1,824,600)	(2,940,900)	(3,973,500)	(3,130,400)	(2,835,500)

Table 59

VOICE SERVICES

Function

Voice Services supplies consulting on telephones, voice switches, and other voice services. It provides telephone switch design and configuration; as well as analysis and planning for voice facilities. It includes the following products:

- Telecom Warehouse
- Tech Labor
- Universal Rate
- Voice Mail
- Auto Attendant
- Call Management Services
- Interactive Voice Response (IVR)
- Long Distance
- Toll-free Service
- Video Conferencing

Funding Detail

A five year funding history for this program is shown below.

ISF History - Department of Administrative Services - ISF - Voice Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	16,240,300	16,331,900	16,805,100	15,567,800	14,581,100
Total	\$16,240,300	\$16,331,900	\$16,805,100	\$15,567,800	\$14,581,100
Categories of Expenditure					
Personal Services	2,480,200	2,110,200	1,761,000	1,559,400	1,726,400
In-State Travel	14,800	11,100	5,100	6,300	0
Out of State Travel	11,900	2,900	0	0	0
Current Expense	10,884,300	10,305,000	10,901,900	9,497,200	9,971,900
DP Current Expense	113,700	147,400	205,300	182,600	38,500
DP Capital Outlay	1,447,300	895,000	0	0	0
Capital Outlay	0	0	812,300	655,200	355,800
Other Charges/Pass Thru	1,658,200	3,103,700	2,911,200	64,300	2,388,500
Total	\$16,610,400	\$16,575,300	\$16,596,800	\$11,965,000	\$14,481,100
Profit/Loss	(\$370,100)	(\$243,400)	\$208,300	\$3,602,800	\$100,000
Other Data					
Budgeted FTE	43.0	39.0	38.0	31.6	24.9
Actual FTE	37.8	33.2	27.1	22.9	0.0
Authorized Capital Outlay	1,447,300	0	1,147,400	0	0
Retained Earnings	(688,600)	(932,000)	(723,700)	2,879,100	2,979,100
Vehicles	9	9	10	10	10

Table 60

COMPUTING

Function

For FY 2005, the Division of Information Technology Services underwent a reorganization aimed at more accurately reflecting costs in the division’s operational and rate structures. Prior to FY 2005, many of the computing related functions were housed in this “Computing” product family.

Funding Detail

For historical comparison purposes, two years of budget detail on the Computing program are shown below.

ISF History - Department of Administrative Services - ISF - Computing					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	20,054,200	0	0	2,500	0
Total	\$20,054,200	\$0	\$0	\$2,500	\$0
Categories of Expenditure					
Personal Services	6,471,400	0	0	0	0
In-State Travel	2,500	0	0	0	0
Out of State Travel	45,500	0	0	0	0
Current Expense	687,100	0	0	5,600	0
DP Current Expense	6,806,200	0	0	265,000	0
DP Capital Outlay	2,730,200	0	0	0	0
Capital Outlay	0	0	0	96,000	0
Other Charges/Pass Thru	2,875,100	0	0	0	0
Total	\$19,618,000	\$0	\$0	\$366,600	\$0
Profit/Loss	\$436,200	\$0	\$0	(\$364,100)	\$0
Other Data					
Budgeted FTE	78.0	0.0	0.0	0.0	0.0
Actual FTE	88.6	0.0	0.0	0.0	0.0
Authorized Capital Outlay	2,730,200	0	0	0	0

Table 61

MAINFRAME HOSTING

Function

The Mainframe Hosting product family supports storage of data and execution of applications designed for a mainframe computing. ITS owns and operates mainframes in Richfield and Salt Lake City. In both Richfield and Salt Lake, ITS maintains monitored, physically secure, climate controlled, and power conditioned environments to house these machines and their associated functions.

The products included in the Mainframe hosting family are:

- Adabas Services
- DB2 Services
- Oracle Services
- Mainframe Hosting Services

Funding Detail

A five year funding history for this program is shown below.

ISF History - Department of Administrative Services - ISF - Mainframe Hosting					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	0	14,122,200	38,929,200	56,448,500	13,815,100
Total	\$0	\$14,122,200	\$38,929,200	\$56,448,500	\$13,815,100
Categories of Expenditure					
Personal Services	0	1,849,500	2,321,700	3,288,900	2,649,300
In-State Travel	0	600	200	200	0
Out of State Travel	0	2,300	3,200	7,600	0
Current Expense	0	360,300	608,100	628,400	555,000
DP Current Expense	0	4,165,200	19,581,900	36,716,600	3,528,300
DP Capital Outlay	0	1,578,300	(74,500)	184,200	0
Capital Outlay	0	0	1,170,200	1,154,100	1,258,000
Other Charges/Pass Thru	0	2,008,800	4,740,800	129,200	2,644,100
Total	\$0	\$9,965,000	\$28,351,600	\$42,109,200	\$10,634,700
Profit/Loss	\$0	\$4,157,200	\$10,577,600	\$14,339,300	\$3,180,400
Other Data					
Budgeted FTE	0.0	89.0	84.0	26.9	37.1
Actual FTE	0.0	68.0	31.7	42.2	0.0
Authorized Capital Outlay	0	0	2,884,200	0	0
Retained Earnings	0	21,429,700	32,007,300	46,346,600	49,527,000

Table 62

DESKTOP/LAN SUPPORT

Function

One of six new product families, the Desktop/Local Area Network (LAN)/Server Support group helps agencies maintain and manage every day technology. It supports desktop and laptop computers, local networks, distributed servers, and software – such as GroupWise and Microsoft Office – that is used by a majority of information workers in the state. While many agencies support these assets “in-house”, a growing number are outsourcing support to ITS and its vendors.

The Desktop/LAN/Server Support product family also encompasses the Provo and Ogden Regional Centers. It provides the following products:

- Equipment Maintenance
- Software Resale
- Server Management
- Desktop/LAN Management
- Ogden Regional Center Desktop/LAN Services
- Provo Regional Center Desktop/LAN Services

Funding Detail

A five year funding history for this program is shown below.

ISF History - Department of Administrative Services - ISF - Desktop/LAN Support					
Sources of Finance	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Appropriated
Ded Credits - Intragvt Rev	0	4,708,800	4,790,900	4,691,400	4,817,500
Total	\$0	\$4,708,800	\$4,790,900	\$4,691,400	\$4,817,500
Categories of Expenditure					
Personal Services	0	1,233,700	1,406,600	1,477,200	1,347,900
In-State Travel	0	3,500	2,300	1,200	0
Out of State Travel	0	0	1,100	1,000	0
Current Expense	0	2,841,400	2,890,600	3,220,100	3,017,900
DP Current Expense	0	1,099,700	893,500	815,800	427,100
DP Capital Outlay	0	180,800	0	0	0
Capital Outlay	0	0	86,800	63,200	66,400
Other Charges/Pass Thru	0	1,354,300	521,000	58,400	49,400
Total	\$0	\$6,713,400	\$5,801,900	\$5,636,900	\$4,908,700
Profit/Loss	\$0	(\$2,004,600)	(\$1,011,000)	(\$945,500)	(\$91,200)
Other Data					
Budgeted FTE	0.0	0.0	0.0	18.0	18.6
Actual FTE	0.0	53.6	15.1	18.4	0.0
Retained Earnings	0	(2,004,600)	(3,015,600)	(3,961,100)	(4,052,300)

Table 63

STORAGE SERVICES

Function

This product family provides enterprise-wide data storage on disk and tape for both mainframe and open-systems data. It offers managed and unmanaged space for routine, archival, and business recovery purposes. It includes the following products:

- Storage Area Network Disk Storage
- Mainframe Tape Storage
- Tivoli Back-up/Restore Service for Open Systems
- Archival Tapes

Funding Detail

A five year funding history for this program is shown below.

ISF History - Department of Administrative Services - ISF - Storage Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	0	2,514,400	4,277,000	3,636,800	913,600
Total	\$0	\$2,514,400	\$4,277,000	\$3,636,800	\$913,600
Categories of Expenditure					
Personal Services	0	678,600	710,200	562,600	690,800
In-State Travel	0	0	100	100	0
Out of State Travel	0	1,400	2,200	2,200	0
Current Expense	0	19,200	13,100	18,800	20,000
DP Current Expense	0	346,600	3,711,200	7,374,500	283,000
DP Capital Outlay	0	1,143,800	0	0	0
Capital Outlay	0	0	820,700	167,000	22,800
Other Charges/Pass Thru	0	552,900	1,116,900	22,800	182,800
Total	\$0	\$2,742,500	\$6,374,400	\$8,148,000	\$1,199,400
Profit/Loss	\$0	(\$228,100)	(\$2,097,400)	(\$4,511,200)	(\$285,800)
Other Data					
Budgeted FTE	0.0	0.0	0.0	8.5	8.1
Actual FTE	0.0	0.0	8.0	6.6	0.0
Retained Earnings	0	(228,100)	(2,325,500)	(6,836,700)	(7,122,500)

Table 64

WEB HOSTING

Function

The Web Hosting product family provides a range of services related to World Wide Web (Internet) home pages and applications. It allows agencies to co-locate agency owned computers in ITS' data centers, offers computer capacity from which agencies may offer information and services on the web, and manages web sites for agencies. The Web Hosting product family includes the following products:

- Web Application Development
- Web Hosting (Bronze through Gold service levels)
- Co-located Web Hosting
- Dedicated Hosting
- Managed Services

Funding Detail

A five year funding history for this program is shown below.

ISF History - Department of Administrative Services - ISF - Web Hosting					
Sources of Finance	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Appropriated
Ded Credits - Intragvt Rev	0	206,500	203,500	326,800	334,000
Total	\$0	\$206,500	\$203,500	\$326,800	\$334,000
Categories of Expenditure					
Personal Services	0	550,900	618,900	532,900	555,000
In-State Travel	0	400	0	0	0
Out of State Travel	0	0	2,000	1,200	0
Current Expense	0	48,900	16,700	22,600	2,300
DP Current Expense	0	275,800	446,100	391,500	178,100
DP Capital Outlay	0	468,900	0	0	0
Capital Outlay	0	0	430,300	325,300	79,000
Other Charges/Pass Thru	0	351,300	210,400	22,500	377,900
Total	\$0	\$1,696,200	\$1,724,400	\$1,296,000	\$1,192,300
Profit/Loss	\$0	(\$1,489,700)	(\$1,520,900)	(\$969,200)	(\$858,300)
Other Data					
Budgeted FTE	0.0	0.0	0.0	9.6	6.4
Actual FTE	0.0	0.5	8.5	6.2	0.0
Retained Earnings	0	(1,489,700)	(3,010,600)	(3,979,800)	(4,838,100)

Table 65

APPLICATION DEVELOPMENT

Function

The Application Development product family includes programmers that work in a variety of programming languages on a variety of computer platforms. The family includes web application development, web design, database administration, mainframe development, and multi-media services. It currently has one broad product – ITS Consulting Services.

Funding Detail

A five year funding history for this program is shown below.

ISF History - Department of Administrative Services - ISF - Application Development					
Sources of Finance	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Appropriated
Ded Credits - Intragvt Rev	0	137,200	891,600	397,200	562,500
Total	\$0	\$137,200	\$891,600	\$397,200	\$562,500
Categories of Expenditure					
Personal Services	0	1,290,100	2,171,400	1,725,400	1,217,900
In-State Travel	0	400	600	300	0
Out of State Travel	0	1,000	2,200	5,900	0
Current Expense	0	117,600	60,600	52,000	18,600
DP Current Expense	0	323,000	100,600	101,900	84,600
DP Capital Outlay	0	322,300	0	0	0
Capital Outlay	0	0	88,500	61,400	74,900
Other Charges/Pass Thru	0	554,400	571,200	67,400	(886,300)
Total	\$0	\$2,608,800	\$2,995,100	\$2,014,300	\$509,700
Profit/Loss	\$0	(\$2,471,600)	(\$2,103,500)	(\$1,617,100)	\$52,800
Other Data					
Budgeted FTE	0.0	0.0	0.0	29.4	14.4
Actual FTE	0.0	1.0	26.1	20.5	0.0
Retained Earnings	0	(2,471,600)	(4,575,100)	(6,192,200)	(6,139,400)

Table 66

REPORTING SERVICES

Function

The Reporting product family provides web-based reports drawing upon a number of agency or interagency data sets. It currently has two products – reporting capability itself and consulting upon report design and creation. The product family has only one established rate – the standard ITS Consulting Services rate of \$75 per hour.

Funding Detail

A five year funding history for this program is shown below.

ISF History - Department of Administrative Services - ISF - Reporting Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	0	0	0	2,400	127,000
Total	\$0	\$0	\$0	\$2,400	\$127,000
Categories of Expenditure					
Personal Services	0	1,700	332,700	169,200	86,100
Current Expense	0	0	7,800	6,400	1,400
DP Current Expense	0	17,300	121,800	74,400	93,700
DP Capital Outlay	0	9,500	0	0	0
Capital Outlay	0	0	40,000	40,000	13,300
Other Charges/Pass Thru	0	7,000	117,700	10,600	146,400
Total	\$0	\$35,500	\$620,000	\$300,600	\$340,900
Profit/Loss	\$0	(\$35,500)	(\$620,000)	(\$298,200)	(\$213,900)
Other Data					
Budgeted FTE	0.0	0.0	0.0	5.3	1.1
Actual FTE	0.0	0.0	4.5	2.2	0.0
Retained Earnings	0	(35,500)	(655,500)	(953,700)	(1,167,600)

Table 67

WIRELESS TECH SERVICES

Function

The Wireless Services product family provides maintenance of microwave and mobile radios; support for Public Safety radios and dispatch facilities; installation and support of radar guns, video cameras, sirens, and light bars. It sells services not only to state agencies, but to local and Federal law enforcement and land use management agencies. It includes the following products:

- Microwave Maintenance
- Wireless Technical Services
- Wireless Repair Parts
- Vehicle Equipment Installation
- Wireless Contracted Services
- Dispatch Console Services

Wireless Services does not include cellular phones, which are provided under contract by private businesses.

Funding Detail

A five year funding history for this program is shown below.

ISF History - Department of Administrative Services - ISF - Wireless Tech Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	2,674,900	2,091,300	1,923,400	1,866,800	884,200
Total	\$2,674,900	\$2,091,300	\$1,923,400	\$1,866,800	\$884,200
Categories of Expenditure					
Personal Services	1,120,000	1,031,500	1,172,300	1,279,100	1,184,900
In-State Travel	14,600	13,800	11,300	22,400	0
Out of State Travel	2,200	7,500	4,500	2,000	0
Current Expense	1,383,300	1,071,900	1,036,800	1,020,900	738,900
DP Current Expense	45,000	12,900	28,800	28,600	5,800
DP Capital Outlay	115,900	31,000	0	0	0
Capital Outlay	0	0	38,400	158,300	15,800
Other Charges/Pass Thru	185,000	116,500	171,200	51,000	407,400
Total	\$2,866,000	\$2,285,100	\$2,463,300	\$2,562,300	\$2,352,800
Profit/Loss	(\$191,100)	(\$193,800)	(\$539,900)	(\$695,500)	(\$1,468,600)
Other Data					
Budgeted FTE	17.0	17.0	17.0	17.4	18.7
Actual FTE	18.2	17.6	21.7	19.1	0.0
Authorized Capital Outlay	115,900	0	97,400	0	0
Retained Earnings	(1,330,300)	(1,524,100)	(2,064,000)	(2,759,500)	(4,228,100)
Vehicles	9	12	12	12	12

Table 68

NON-WEB HOSTING

Function

The Non-Web Hosting product family hosts UNIX based applications that are not related to the World Wide Web. This product family had no defined products or established rates. It also has no revenue and therefore does not appear in Table 61.

Funding Detail

The table below shows expenditures related to the Non-Web Hosting program for the past three years.

ISF History - Department of Administrative Services - ISF - Non-Web Hosting					
Sources of Finance	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Appropriated
Total	\$0	\$0	\$0	\$0	\$0
Categories of Expenditure					
Personal Services	0	0	0	0	89,000
Current Expense	0	0	2,600	0	0
DP Current Expense	0	0	321,300	0	55,100
DP Capital Outlay	0	25,000	0	0	0
Capital Outlay	0	0	129,700	0	133,300
Other Charges/Pass Thru	0	5,900	96,700	0	213,200
Total	\$0	\$30,900	\$550,300	\$0	\$490,600
Profit/Loss	\$0	(\$30,900)	(\$550,300)	\$0	(\$490,600)
Other Data					
Budgeted FTE	0.0	0.0	0.0	0.0	1.2
Retained Earnings	0	(30,900)	(581,200)	(581,200)	(1,071,800)

Table 69

SUPPORT SERVICES

Function

Support Services provides high-volume printing, customer support, training, and capacity planning. It includes the following products:

- Mainframe Laser Printing
- Mainframe Line Printing
- Security/ID Badges/Badge Holders
- Check Stock
- Help Desk
- ITS Training Center
- Internal Capacity Planning

Funding Detail

A five year funding history for this program is shown below.

ISF History - Department of Administrative Services - ISF - ITS Support Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	5,071,700	552,200	502,000	953,800	786,800
Total	\$5,071,700	\$552,200	\$502,000	\$953,800	\$786,800
Categories of Expenditure					
Personal Services	2,691,200	109,100	804,600	410,500	500,600
In-State Travel	2,300	0	0	0	0
Out of State Travel	6,000	0	3,600	0	0
Current Expense	3,355,600	7,800	23,100	10,200	14,700
DP Current Expense	1,972,500	344,000	541,200	569,200	482,300
DP Capital Outlay	454,300	147,800	0	0	0
Capital Outlay	0	0	312,300	248,900	89,700
Other Charges/Pass Thru	(3,302,200)	146,800	387,100	15,100	(80,800)
Total	\$5,179,700	\$755,500	\$2,071,900	\$1,253,900	\$1,006,500
Profit/Loss	(\$108,000)	(\$203,300)	(\$1,569,900)	(\$300,100)	(\$219,700)
Other Data					
Budgeted FTE	30.0	35.0	38.0	9.6	9.1
Actual FTE	34.1	0.6	14.7	5.0	0.0
Authorized Capital Outlay	454,300	0	0	0	0
Retained Earnings	243,500	40,200	(1,529,700)	(1,829,800)	(2,049,500)
Vehicles	1	1	1	0	1

Table 70

AUTOMATED GEOGRAPHIC REFERENCE CENTER

Function The Automated Geographic Reference Center (AGRC) maintains and operates Utah’s State Geographic Information Database (SGID). It works with other agencies of state government to collect and retain geospatial data. It assists agencies in culling information from that data using computer applications. It supports the state’s Map Portal. Examples of its work include collection of high-resolution geographically correct images, mapping of rural RS-2477 roads, and documentation of legislative district boundaries.

Funding Detail Prior to FY 2004, AGRC was budgeted as part of the ITS internal service fund. Beginning in FY 2004, the Legislature provided AGRC with a direct appropriation. AGRC’s budget prior to FY 2004 is shown below. For more detail on AGRC, including its current budget, see Chapter 23.

ISF History - Department of Administrative Services - ISF - Automated Geographic Reference Center					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Federal Funds	542,200	1,080,100	0	0	0
Ded Credits - Intragvt Rev	1,606,400	766,200	0	0	0
Transfers	456,600	360,600	0	0	0
Total	\$2,605,200	\$2,206,900	\$0	\$0	\$0
Categories of Expenditure					
Personal Services	791,000	866,300	0	0	0
In-State Travel	42,100	8,300	0	0	0
Out of State Travel	17,000	8,000	0	0	0
Current Expense	39,600	602,800	0	0	0
DP Current Expense	1,512,900	81,300	0	0	0
DP Capital Outlay	26,700	18,800	0	0	0
Other Charges/Pass Thru	57,000	893,700	0	0	0
Total	\$2,486,300	\$2,479,200	\$0	\$0	\$0
Profit/Loss	\$118,900	(\$272,300)	\$0	\$0	\$0
Other Data					
Budgeted FTE	8.0	9.0	0.0	0.0	0.0
Actual FTE	13.3	15.5	0.0	0.0	0.0
Authorized Capital Outlay	26,700	0	0	0	0
Retained Earnings	(359,800)	(632,100)	(632,100)	(632,100)	(632,100)

Table 71

RESEARCH AND DEVELOPMENT

Function In past years, Research and Development – also known as Emerging Technologies – has housed new applications being offered by ITS on a trial basis. An example is videoconferencing, which was developed in the R&D product family and later moved to the Voice Services product family.

Funding Detail ITS no longer uses the Research and Development product family. Detail on its budget is included here for historical purposes.

ISF History - Department of Administrative Services - ISF - Research and Development					
Sources of Finance	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Appropriated
Total	\$0	\$0	\$0	\$0	\$0
Categories of Expenditure					
Other Charges/Pass Thru	0	702,600	18,300	0	0
Total	\$0	\$702,600	\$18,300	\$0	\$0
Profit/Loss	\$0	(\$702,600)	(\$18,300)	\$0	\$0

Table 72

INTERNAL CLEARING ACCOUNT

Function

As a result of an FY 2005 internal reorganization, ITS bills internally for products provided and consumed by ITS. For instance, if an ITS product family used 10 Wide Area Network connections, it would pay \$320 per month to another product family for this service. The division began this practice to better inform managers about the cost of resources consumed internally.

The ITS Clearing Account eliminates double-counting of expenses and revenue associated with internal billing.

Funding Detail

A five year history for the Clearing Account is shown below.

ISF History - Department of Administrative Services - ISF - Clearing					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	0	(4,193,800)	(32,869,500)	(47,792,000)	(1,610,400)
Total	\$0	(\$4,193,800)	(\$32,869,500)	(\$47,792,000)	(\$1,610,400)
Categories of Expenditure					
Current Expense	0	(3,625,700)	(4,575,300)	(5,218,000)	(1,436,300)
DP Current Expense	0	(568,100)	(28,294,200)	(42,574,000)	(174,100)
Total	\$0	(\$4,193,800)	(\$32,869,500)	(\$47,792,000)	(\$1,610,400)
Profit/Loss	\$0	\$0	\$0	\$0	\$0

Table 73

CHAPTER 20 DIVISION OF FLEET OPERATIONS (ISF)**Function**

The Division of Fleet Operations was established as a new division of Administrative Services in 1997. The division also includes the State and Federal Surplus property programs, which were housed in the Division of Purchasing and General Services prior to 1997.

Statutory Authority

UCA 63A Chapter 9 creates the Division of Fleet Operations (Section 201) and spells out the division's duties (Section 401). Duties include:

- Perform all administrative duties related to managing the state's vehicles
- Coordinate all purchases of state vehicles
- Establish fleet information system(s) for state vehicles
- Make rules regarding maintenance, safety, loss prevention, procurement, fuel management, cost management, disposal, reallocation, rate structures, and insurance requirements for state vehicles
- Establish a parts inventory
- Create and administer a fuel dispensing service
- Emphasize customer service
- Conduct an annual audit of all state vehicles
- Charge rates approved by the Rate Committee and Legislature
- Conduct a market analysis by July 1, 2005
- By November 1 of each year submit a state-owned vehicle report to the governor and legislative fiscal analyst

UCA 63A-9-501 mandates that the division refer complaints from the public about misuse or illegal operation of vehicles to the agency that owns/leases the vehicle

UCA 63A-9-601 requires the division to ensure that vehicles owned or leased by the state are properly marked

UCA 63A-9-801 requires the division to establish a state surplus property system

UCA 63A-9-805 allows the division to establish a federal surplus property system

Funding Detail

This budgetary line item contains five programs. However, the Administration program exists only to account for overhead costs of services provided to the other four programs. **The spike in Retained Earnings in the “2006 Appropriated” column is not an actual estimate, but a figure that is based on FY 2005 Actual Retained Earnings plus anticipated (during the 2005 General Session) FY 2006 profit/loss. Actual FY 2006 results may vary. Retained earnings are best analyzed by following the trend from the “2002 Actual” to “2005 Actual” columns.**

ISF History - Department of Administrative Services - Division of Fleet Operations					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	36,297,100	38,462,300	41,832,300	48,060,700	44,732,100
Sale of Fixed Assets	0	(1,222,400)	(609,300)	(39,300)	(600,000)
Total	\$36,297,100	\$37,239,900	\$41,223,000	\$48,021,400	\$44,132,100
Programs					
ISF - Motor Pool	21,824,300	21,335,200	21,844,000	23,616,200	24,351,200
ISF - Fuel Network	13,231,900	14,687,300	18,422,500	23,232,200	18,957,600
ISF - State Surplus Property	900,600	881,200	824,400	1,078,900	823,300
ISF - Federal Surplus Property	340,300	336,200	132,100	94,100	0
Total	\$36,297,100	\$37,239,900	\$41,223,000	\$48,021,400	\$44,132,100
Categories of Expenditure					
Personal Services	2,647,800	2,551,100	2,504,400	2,572,100	2,592,300
In-State Travel	5,000	3,600	3,800	5,200	12,500
Out of State Travel	12,200	9,500	5,700	9,000	7,400
Current Expense	21,494,300	22,319,700	26,294,500	31,559,800	26,628,700
DP Current Expense	112,700	135,600	142,300	143,300	190,900
DP Capital Outlay	98,600	11,800	0	0	0
Capital Outlay	13,100	0	0	0	0
Other Charges/Pass Thru	1,055,200	953,100	169,500	103,500	100,500
Depreciation	10,187,700	12,709,300	12,644,800	13,203,300	11,570,900
Total	\$35,626,600	\$38,693,700	\$41,765,000	\$47,596,200	\$41,103,200
Profit/Loss	\$670,500	(\$1,453,800)	(\$542,000)	\$425,200	\$3,028,900
Other Data					
Budgeted FTE	51.8	49.8	47.5	45.0	43.0
Actual FTE	47.7	44.3	42.0	41.1	0.0
Authorized Capital Outlay	32,479,600	13,890,500	17,061,100	12,752,500	14,310,600
Retained Earnings	3,983,000	2,529,100	1,987,100	2,412,300	5,441,200
Vehicles	205	197	166	147	166

Table 74

PROGRAMS – DIVISION OF FLEET OPERATIONS

ADMINISTRATION

Function

The Administration program is responsible for the accounting and budget functions of the Division of Fleet Operations, including the statewide fleet management information system (CARS database). This program is also responsible for billing and associated activities. In addition, it coordinates the annual rate package for Internal Service Funds and distributes the annual fleet operations budget for the division. The programs are charged administrative costs in proportion to their share of the total division budget.

Accountability

Administration costs should be kept as low as possible so resources can be used for providing services to customer agencies.

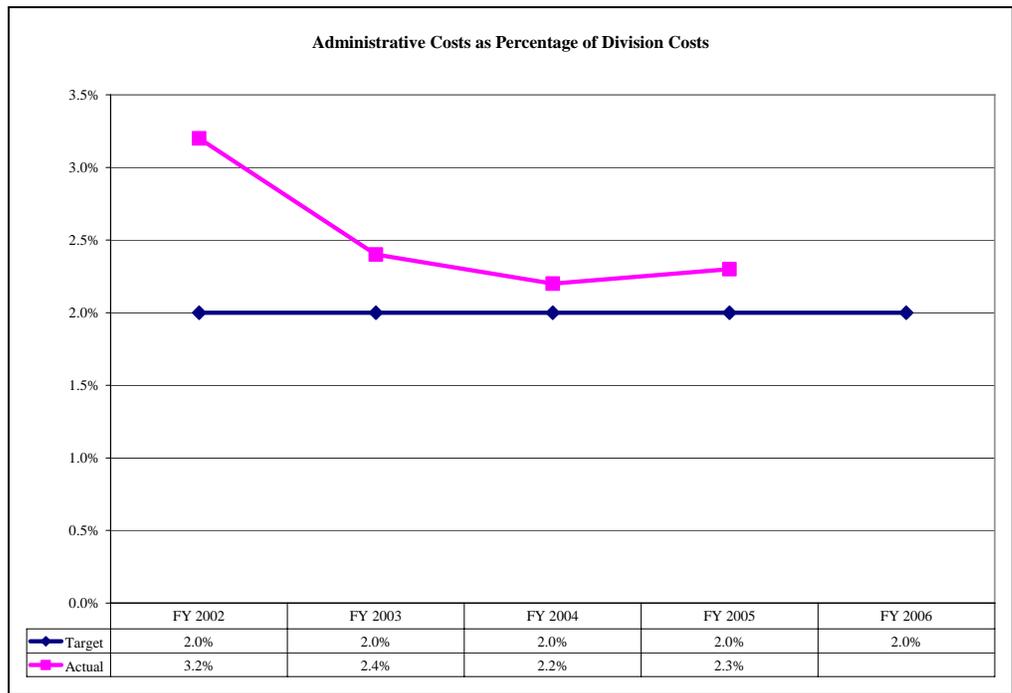


Figure 37

Measure: Administrative costs as a percentage of total division costs.

Goal: Maintain administrative costs below two percent of total division budget.

Methodology: Ratio between total administrative expenses versus total division budget (not counting depreciation expenses).

Measure Type: Outcome.

Note: The above graph shows the division is maintaining its overhead rates just above two percent. The Analyst does not include approximately \$13 million in depreciation expenses because they occur automatically as a result of aging equipment. If depreciation costs were added back in, the ratio of administrative costs to division costs would drop well below two percent.

Funding Detail

All expenses in this program are passed through to the programs in proportion to their share of the total division budget.

ISF History - Department of Administrative Services - Division of Fleet Operations - ISF - Fleet Administration					
Sources of Finance	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Appropriated
Total	\$0	\$0	\$0	\$0	\$0
Categories of Expenditure					
Personal Services	661,200	578,200	573,300	726,100	635,200
In-State Travel	1,500	500	500	1,100	1,100
Out of State Travel	3,300	3,200	3,600	4,800	3,700
Current Expense	99,600	34,800	40,500	41,100	34,000
DP Current Expense	40,700	35,600	87,000	87,500	91,500
DP Capital Outlay	8,700	7,400	0	0	0
Other Charges/Pass Thru	(823,000)	(659,700)	(708,100)	(860,600)	(769,500)
Depreciation	0	0	3,200	0	4,000
Total	(\$8,000)	\$0	\$0	\$0	\$0
Profit/Loss	\$8,000	\$0	\$0	\$0	\$0
Other Data					
Budgeted FTE	12.0	12.0	11.0	9.6	8.4
Actual FTE	12.7	11.3	7.4	12.0	0.0
Authorized Capital Outlay	0	0	0	0	6,000
Retained Earnings	9,100	9,100	9,100	9,100	9,100

Table 75

MOTOR POOL

Function

This program is responsible for all management accountability associated with the operation of statewide vehicle fleet, central motor pool operation, and division-wide safety objectives/compliance. The central motor pool operates a vehicle fleet of approximately 4,300 vehicles including several small daily rental mini-pools located along the Wasatch Front. The program also administers the division safety program, vehicle accident management program, and federal alternative fuel program.

Accountability

The Motor Pool program is tasked with the responsibility to manage the state's fleet assets at the lowest possible cost. Measuring the "cost per mile" (CPM) for each vehicle class allows the division to track the cost trends relative to increased vehicle costs and inflation factors. The division monitors responsibility by closely watching the "midsize" vehicle class. This vehicle represents the average fleet vehicle and correlates with the Personally-Owned Vehicle (POV) reimbursement rates set by the Division of Finance and the IRS

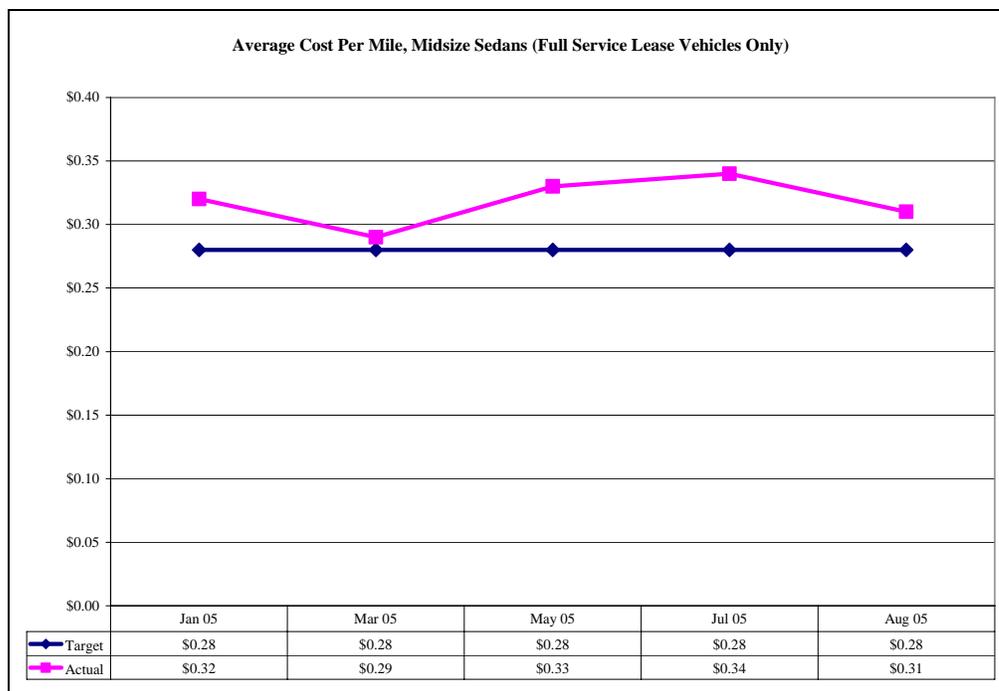


Figure 38

Measure: Average cost per mile (CPM), midsize full service lease sedans, calendar year 2005. Only one year of data is available currently. In the future this measure will be reported on a fiscal year basis.

Goal: Maintain the CPM of the midsize sedan at a level less than the private sector and the IRS POV reimbursement rates. Effective monitoring of the CPM on a periodic basis allows time to make adjustments and maintain the lowest cost possible.

Methodology: Aggregate midsize sedan class total fixed cost plus total variable costs divided by total vehicle miles.

Measure Type: Outcome.

Note: Actual average CPM is slightly higher than the target set at the beginning of the year by DFO. These increases are due primarily to the thirty percent increase in fuel prices.

Capital Outlay

Since FY 2000 agencies and institutions have been required to capitalize any fleet expansion prior to purchase. Therefore, capital outlays are only for replacement vehicles already authorized to be in the fleet. Any addition to the state fleet must be approved and funded by the agency’s appropriation subcommittee prior to acquisition.

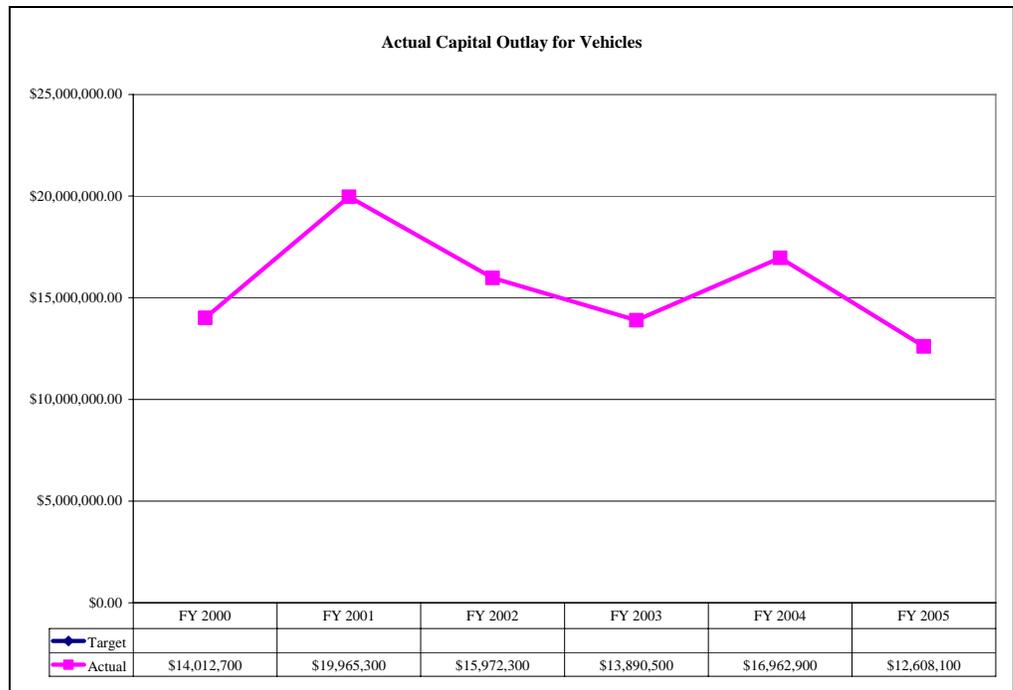


Figure 39

DFO Report Cards

In working with state agencies and higher education to maximize fleet management, the division prepares semi-annual report cards that measure progress on objective standards. Summary information is presented in the table on the following page.

The agencies in greatest need of improvement are the CEU – San Juan Center and the Department of Alcoholic Beverage Control. Both show poor equipment replacement practices, poor fuel usage, and poor preventive maintenance scheduling.

Fall 2004 DFO Report Cards			
Summary	2002	2003	2004
	<u>GPA</u>	<u>GPA</u>	<u>GPA</u>
Agriculture		3.1	3.4
BATC	2.8	2.9	3.0
CEU	2.5	2.4	2.4
CEUSJC	1.0	1.4	1.5
Corrections		2.3	2.9
DATC	2.9	2.8	2.8
Dixie College	3.3	3.1	3.2
DCED		2.9	3.2
DFCM		3.1	3.6
UDOT	3.0	3.1	3.3
Fleet Ops	3.5	3.4	3.5
Health		2.4	2.9
DABC		1.5	1.5
MATC		2.2	3.8
Nat'l Guard		2.8	3.4
DNR	2.4	2.4	2.5
OWATC	2.3	2.2	2.3
Public Safety		2.5	2.4
Snow College	2.4	2.3	2.5
SLCC	2.9	3.0	3.1
SUU	3.3	3.4	3.5
SWATC		1.5	2.1
Tax Comn		1.5	2.4
UBATC	3.5	3.4	3.3
U of U	2.5	2.5	2.6
USU	2.7	2.8	2.9
UVSC	2.3	2.4	2.6
WSU	2.6	2.8	2.9
Average	<u>2.7</u>	<u>2.6</u>	<u>2.8</u>

Table 76

The cumulative GPA is based on many factors, including inventory, information entry into the database, currency of operator information, fuel usage, preventive maintenance routines, and reservations made. The fact that Fleet Operations earns a 3.5 on its own report card shows that a perfect GPA is difficult to achieve. The colleges and universities are doing well on data entry and are gradually improving in other areas.

General Fund Subsidy

The Legislature appropriated \$4 million to this division in both FY 2000 and FY 2001 to help reduce the need for General Fund borrowing. In order to balance statewide budget needs the funding was cut to \$2.7 million in FY 2002 and later to zero in FY 2003.

During the three years that the Legislature subsidized agency lease rates the division established more accurate rates that reflect the true cost of operating a vehicle. Additionally, the Legislature required any fleet expansion to include not only legislative approval, but also capitalization funds in advance. By doing this, the division not only abated growth in General Fund debt, it actually reversed the trend of continually rising debt. Allowing DFO to

borrow from the General Fund for replacement vehicles provides flexibility to the state so long as the Motor Pool remains in a positive equity position.

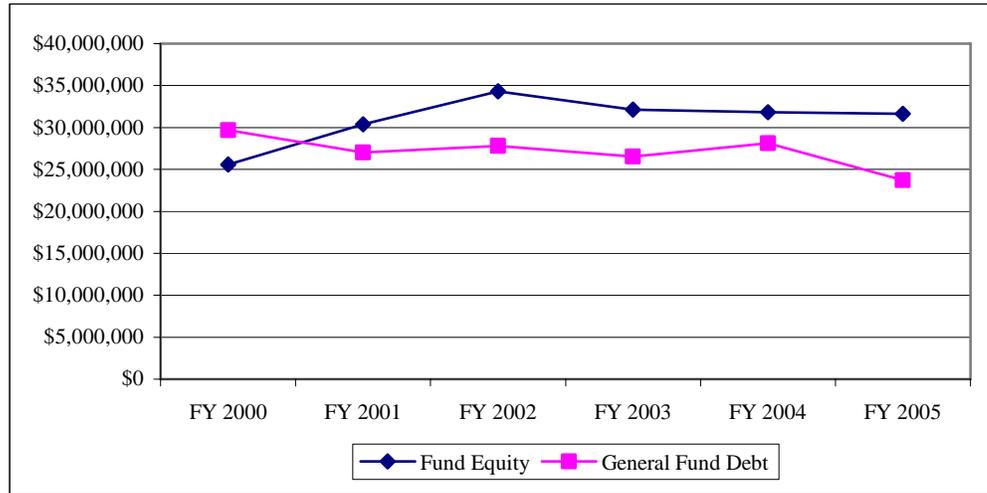


Figure 40

Fund equity includes the value of assets (vehicles and revenue) compared to liabilities (expenses and General Fund debt). Since consolidation of the fleet and establishment of more accurate rates, fund equity increased by more than twenty percent.

Vehicle Count

As shown in the following chart, the total vehicle count was up by 44 vehicles in FY 2005 compared to FY 2004, but still down by 107 from its peak of 7,447 in FY 2002 (Source: State Vehicle Report). The chart shows vehicle count by major agency (those having over 300 vehicles) per year.

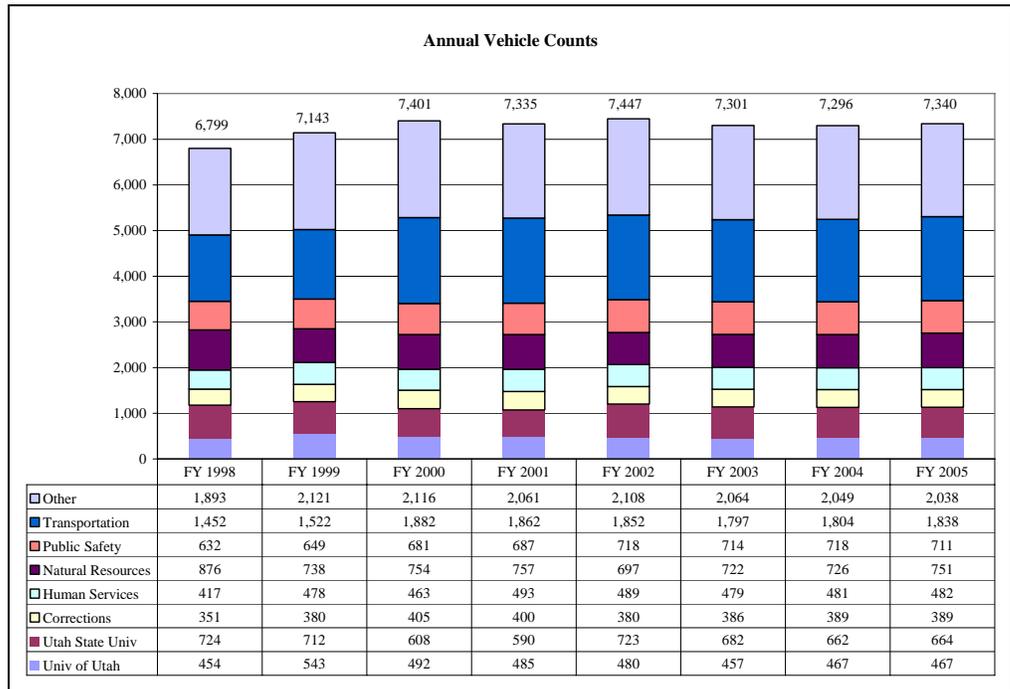


Figure 41

Funding Detail

The value of the state fleet exceeds \$54 million. Rates charged by this ISF will be provided to the Legislature during the 2006 General Session. The spike in Retained Earnings in the “2006 Appropriated” column is not an actual estimate, but a figure that is calculated based on FY 2005 ending retained earnings plus FY 2006 appropriated Profit/Loss. Updated projections for FY 2006 estimate negative profits, which will drive retained earnings lower.

ISF History - Department of Administrative Services - Division of Fleet Operations - ISF - Motor Pool					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	21,824,300	22,557,600	22,453,300	23,655,500	24,951,200
Sale of Fixed Assets	0	(1,222,400)	(609,300)	(39,300)	(600,000)
Total	\$21,824,300	\$21,335,200	\$21,844,000	\$23,616,200	\$24,351,200
Categories of Expenditure					
Personal Services	1,022,900	993,100	949,900	889,300	1,034,200
In-State Travel	2,100	2,000	1,900	2,000	9,500
Out of State Travel	600	700	800	2,700	1,600
Current Expense	8,808,600	8,115,300	8,593,400	9,418,400	8,622,300
DP Current Expense	53,600	66,800	25,700	29,500	68,000
DP Capital Outlay	85,200	0	0	0	0
Other Charges/Pass Thru	1,322,000	1,262,400	617,700	672,600	598,600
Depreciation	10,003,600	12,519,900	12,451,300	13,027,100	11,413,400
Total	\$21,298,600	\$22,960,200	\$22,640,700	\$24,041,600	\$21,747,600
Profit/Loss	\$525,700	(\$1,625,000)	(\$796,700)	(\$425,400)	\$2,603,600
Other Data					
Budgeted FTE	20.8	18.8	17.4	18.5	17.4
Actual FTE	15.3	17.0	17.7	15.0	0.0
Authorized Capital Outlay	32,149,500	13,890,500	16,962,900	12,608,100	14,104,600
Retained Earnings	4,659,700	3,034,700	2,238,000	1,812,600	4,416,200
Vehicles	191	183	156	137	156

Table 77

FUEL NETWORK

Function

The Fuel Network manages the state’s fuel purchase contracts and the state’s fuel infrastructure, including the statewide underground storage tank program and consolidated electronic refueling stations. The Fuel Network uses capital outlay authorizations primarily to replace card readers and fuel tank monitors.

Accountability

The state’s fuel network is comprised of partnerships between private, federal, state, local and quasi-governmental entities. It is incumbent on the fuel network to keep vehicle fueling costs as low as possible. The state maintains this objective by purchasing large volumes of fuel for remote state-owned sites and partnering with private fuel vendors in populated areas. This mix eliminates redundancy by using available private stations.

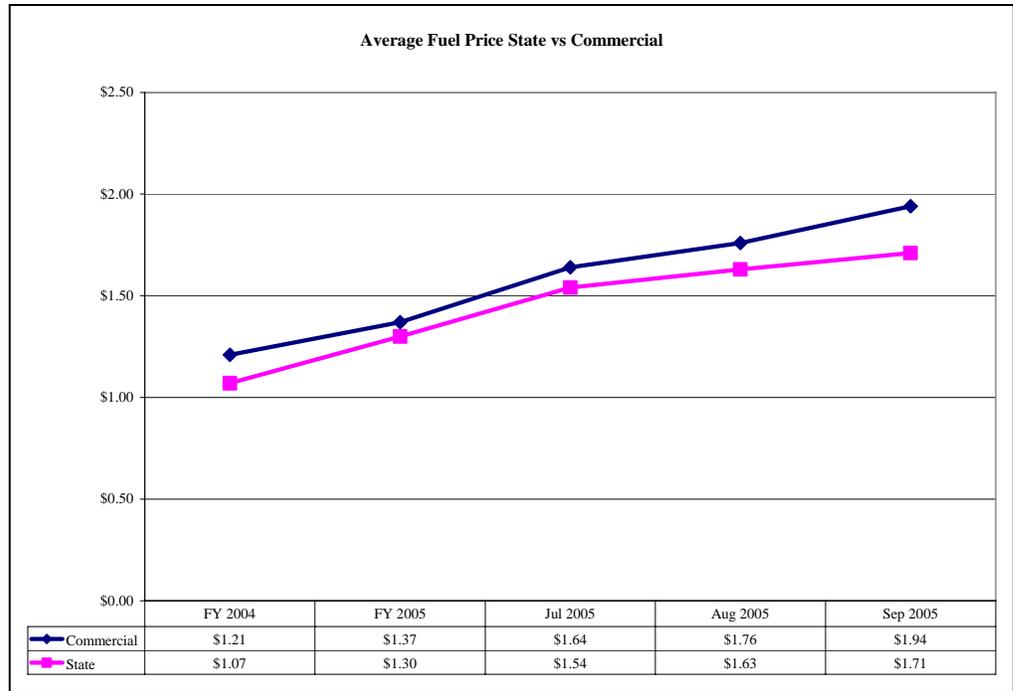


Figure 42

Measure: Average cost comparison at state-owned sites versus commercial sites on state contract.

Goal: Maintain the cost per gallon at state sites an average of ten cents less than commercial sites.

Methodology: Comparison of average fuel costs of state-owned and commercial costs per gallon on a weekly basis.

Measure Type: Outcome.

Note: The Fuel Network is maintaining its goal to purchase fuel for at least ten cents lower on average than fuel sold at commercial fuel sites under state contract. Monitoring this measurement allows the division to make sure it receives maximum value from its contract fuel vendors.

Funding Detail

Rates charged by this ISF will be provided for legislative consideration and approval during the 2006 General Session.

ISF History - Department of Administrative Services - Division of Fleet Operations - ISF - Fuel Network					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	13,231,900	14,687,300	18,422,500	23,232,200	18,957,600
Total	\$13,231,900	\$14,687,300	\$18,422,500	\$23,232,200	\$18,957,600
Categories of Expenditure					
Personal Services	445,800	454,800	498,900	511,000	493,400
In-State Travel	600	400	200	1,000	500
Out of State Travel	500	500	700	1,500	1,500
Current Expense	12,354,100	13,804,000	17,414,500	21,819,400	17,762,400
DP Current Expense	10,500	16,600	17,900	16,500	15,700
Other Charges/Pass Thru	414,700	256,400	175,300	188,700	182,600
Depreciation	160,100	152,800	149,900	135,700	118,400
Total	\$13,386,300	\$14,685,500	\$18,257,400	\$22,673,800	\$18,574,500
Profit/Loss	(\$154,400)	\$1,800	\$165,100	\$558,400	\$383,100
Other Data					
Budgeted FTE	9.0	9.0	9.0	8.7	9.0
Actual FTE	10.7	7.0	9.0	7.2	0.0
Authorized Capital Outlay	115,000	0	44,200	40,000	200,000
Retained Earnings	(449,300)	(447,500)	(282,400)	276,000	659,100
Vehicles	2	2	3	3	3

Table 78

STATE SURPLUS PROPERTY

Function

The Division sells state agency surplus property to the public subject to a 30-day purchase priority that is given to state and local government agencies. The best possible price is obtained by using varied sales methods; for example, warehouse direct sales, sealed bids, spot bids and auction sales to the public.

Accountability

The Surplus Property program receives property from various state agencies and local governments for ethical disposition on a consignment basis. It is incumbent on the program to carry out this responsibility and audit process in a timely and efficient manner in order to receive the maximum value when disposing of used property.

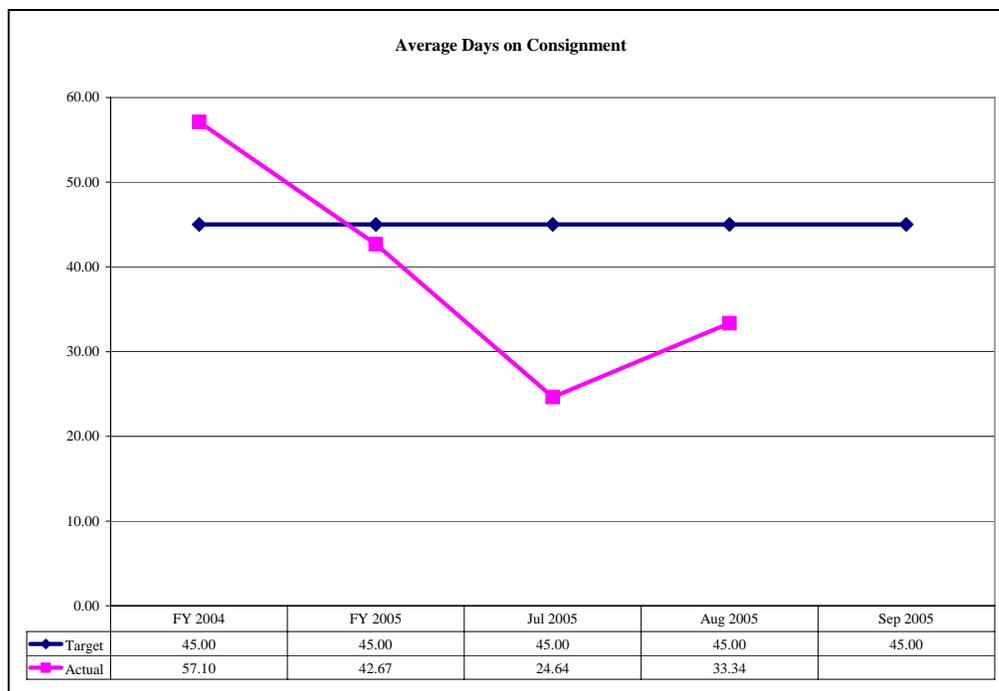


Figure 43

Measure: Aggregate average property days on consignment.

Goal: Dispose of property under 45 days to maintain higher disposal return on sale.

Methodology: Disposal Date minus Date Received from agency.

Measure Type: Outcome

Note: Prior fiscal year data is not available, but data will be shown on a fiscal year basis in the future. The program has improved over the past year. Monitoring this measurement allows the division to make sure property is accounted for properly by ensuring property does not sit idle under its stewardship. This measurement also allows the division to schedule timely auctions with the outsourced vendor.

The new rate structure for State Surplus Property allows the program to retain total proceeds from all sales in order to fund operating expenses. When the program shows a profit and no longer carries a negative retained earning balance it will proportionately rebate profits to state agencies. The program had profits in each of **FY 2004 and FY 2005**. Profitability is a bonus for the state in relation to disposal of old equipment. In addition to properly disposing of equipment in accordance with environmental law, State Surplus Property provides a consistent accountability structure for disposal of property. With a central system the state is protected against fraud and claims of fraud in the disposition of surplus property.

State Surplus Property Profit/Loss				
Fiscal Year	Revenue	Expense	Profit/Loss	Retained Earnings
1999	\$233,300	\$594,800	(\$361,500)	(\$284,700)
2000	\$539,900	\$692,600	(\$152,700)	(\$438,100)
2001	\$597,200	\$677,600	(\$80,400)	(\$517,700)
2002	\$900,600	\$581,900	\$318,700	(\$199,300)
2003	\$881,200	\$689,500	\$191,700	(\$7,500)
2004	\$824,400	\$682,000	\$142,400	\$134,900
2005	\$1,078,900	\$814,500	\$264,400	\$399,300

Table 79

The division instituted its own online auction program in FY 2005. The website is located at <http://168.177.192.14:8080/Surplus/InventoryList>. Establishing parameters for bidders has been a learning process for the division, particularly with automobiles, and so items auctioned online are now primarily not automobiles. The division auctions items on other commercial websites such as eBay.

Funding Detail

Rates charged by this ISF will be provided for legislative consideration and approval during the 2006 General Session.

ISF History - Department of Administrative Services - ISF - State Surplus Property					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	900,600	881,200	824,400	1,078,900	823,300
Total	\$900,600	\$881,200	\$824,400	\$1,078,900	\$823,300
Categories of Expenditure					
Personal Services	296,300	353,000	382,500	439,400	429,500
In-State Travel	500	600	1,000	800	1,400
Out of State Travel	0	0	600	0	600
Current Expense	172,900	244,200	204,700	236,700	210,000
DP Current Expense	4,200	9,700	7,800	9,800	15,700
Other Charges/Pass Thru	84,300	58,000	60,300	98,400	88,800
Depreciation	24,000	23,900	25,100	29,400	35,100
Total	\$582,200	\$689,400	\$682,000	\$814,500	\$781,100
Profit/Loss	\$318,400	\$191,800	\$142,400	\$264,400	\$42,200
Other Data					
Budgeted FTE	5.0	5.0	6.0	6.7	8.2
Actual FTE	4.8	5.0	5.0	6.8	0.0
Authorized Capital Outlay	106,100	0	54,000	56,800	0
Retained Earnings	(199,300)	(7,500)	134,900	399,300	441,500
Vehicles	12	12	7	7	7

Table 80

FEDERAL SURPLUS PROPERTY

Function

The Federal Surplus Program acquires and donates federal property to public and non-profit agencies, which presently exceed 600 accounts. A handling fee is charged to agencies acquiring surplus property. These dedicated credits fund the operation while offering a means for state, county, and local agencies to purchase equipment at reduced rates.

Rates charged between FY 2000 and FY 2004 failed to recover sufficient amounts to cover operating expenses. The division struggled to make this program solvent due to lower than expected property donations and law enforcement donations.

Federal Surplus Property Profit/Loss				
Fiscal Year	Revenue	Expense	Profit/Loss	Retained Earnings
1999	\$788,900	\$770,900	\$18,000	\$73,100
2000	\$623,700	\$518,200	\$105,500	\$175,700
2001	\$383,300	\$526,900	(\$143,600)	(\$10,000)
2002	\$340,300	\$367,500	(\$27,200)	(\$37,200)
2003	\$336,200	\$358,600	(\$22,400)	(\$59,700)
2004	\$132,100	\$184,900	(\$52,800)	(\$112,500)
2005	\$94,100	\$66,300	\$27,800	(\$84,700)

Table 81

Intent Language

The Legislature adopted the following intent language during the 2005 General Session (H.B. 1):

It is the intent of the Legislature that the value of the Federal Surplus Property building be transferred to the State Surplus Property program, and that State Surplus Property excess retained earnings be used to offset the deficit in Federal Surplus Property retained earnings.

Intent language coincided with the Legislature’s decision to reduce this program. During the 2004 General Session the Office of the Legislative Fiscal Analyst recommended the program be shut down and any remaining retained earnings be absorbed by the division. This recommendation was primarily due to a decline in quality of products donated to the state, a related decline in interest for these products, and because this program is not an essential function of state government.

The Legislature did not entirely shut down the program, but accepted the division’s plan to reduce it to merely an agent to acquire federal property when requested from state or local entities.

Funding Detail

The Legislature did not authorize any revenues, FTE, or capital outlay for **FY 2006**, but did approve a basic 20% handling charge rate. More information on rates will be provided during the **2006** General Session.

ISF History - Department of Administrative Services - ISF - Federal Surplus Property					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Ded Credits - Intragvt Rev	340,300	336,200	132,100	94,100	0
Total	\$340,300	\$336,200	\$132,100	\$94,100	\$0
Categories of Expenditure					
Personal Services	221,600	172,000	99,800	6,300	0
In-State Travel	300	100	200	300	0
Out of State Travel	7,800	5,100	0	0	0
Current Expense	59,100	121,400	41,400	44,200	0
DP Current Expense	3,700	6,900	3,900	0	0
DP Capital Outlay	4,700	4,400	0	0	0
Capital Outlay	13,100	0	0	0	0
Other Charges/Pass Thru	57,200	36,000	24,300	4,400	0
Depreciation	0	12,700	15,300	11,100	0
Total	\$367,500	\$358,600	\$184,900	\$66,300	\$0
Profit/Loss	(\$27,200)	(\$22,400)	(\$52,800)	\$27,800	\$0
Other Data					
Budgeted FTE	5.0	5.0	4.1	1.4	0.0
Actual FTE	4.2	4.0	3.0	0.1	0.0
Authorized Capital Outlay	109,000	0	0	47,600	0
Retained Earnings	(37,200)	(59,700)	(112,500)	(84,700)	(84,700)

Table 82

CHAPTER 21 DIVISION OF RISK MANAGEMENT (ISF)**Function**

The Division of Risk Management was organized in 1980 to implement a self-insurance program for the state. The division provides liability, property and auto physical damage coverage to all state agencies, the forty school districts, 25 charter schools, and all state-owned colleges and universities except medical malpractice at the University of Utah. The liability insurance and auto physical damage programs are entirely self funded, while the property insurance program is self-insured up to a \$2.5 million aggregate yearly deductible with private carriers.

The division has several internal sections: Administration/Support Staff, Claims, Workers Compensation/ADA, and Loss Control.

Statutory Authority

UCA 63A Chapter 4 outlines the duties and powers of the division. Duties include:

- Acquire and administer all property, casualty insurance, and workers' compensation insurance purchased by the state.
- Make rules setting forth reasonable underwriting and risk control standards, risks that will be covered by the Risk Management Fund, eligibility for payments from the fund, procedures for making claims, and procedures for settling disputes.
- Implement a risk management and loss prevention program for state agencies.
- Work with state agencies that manage and protect state property, such as the state fire marshal or DFCM.
- Maintain necessary records.
- Manage the Risk Management Fund according to economically and actuarially sound principles.
- Purchase insurance or reinsurance as necessary.
- Submit rates and fees to the Rate Committee and Legislature for approval.
- Conduct a market analysis by July 1, 2005.

The division may:

- Enter into contracts.
- Purchase insurance.
- Adjust, settle, and pay claims.
- Pay expenses and costs.
- Study the risks of all state agencies and properties.
- Issue certificates of coverage to state agencies.

- Make recommendations to state agencies.
- Prescribe insurance and liability provisions to be included in all state contracts.
- Review building plans and make recommendations.
- Spend monies from the Risk Management Fund.

UCA 63A-4-201 creates the Risk Management Fund.

UCA 63A-4-204 through 205.5 allow school districts, charter schools, and the Utah Communications Agency Network to participate in the Risk Management Fund.

Funding Detail

The following table summarizes funding for the two programs in this line item. Restricted revenue is interest income. More detail on each program is provided on the following pages.

ISF History - Department of Administrative Services - Risk Management					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Premiums	23,657,400	24,416,700	25,849,300	26,820,900	25,748,300
Interest Income	1,577,000	1,468,700	895,700	1,509,900	1,000,000
Restricted Revenue	6,658,000	6,345,300	6,108,500	7,350,900	7,434,500
Total	\$31,892,400	\$32,230,700	\$32,853,500	\$35,681,700	\$34,182,800
Programs					
ISF - Risk Management Adminis	25,126,200	25,852,800	26,742,700	28,330,800	26,748,300
ISF - Workers' Compensation	6,766,200	6,377,900	6,110,800	7,350,900	7,434,500
Total	\$31,892,400	\$32,230,700	\$32,853,500	\$35,681,700	\$34,182,800
Categories of Expenditure					
Personal Services	1,743,000	1,718,900	1,747,000	1,901,400	1,926,600
In-State Travel	15,800	13,600	10,500	16,900	16,200
Out of State Travel	17,400	3,800	2,800	2,300	0
Current Expense	30,698,300	27,125,700	23,830,400	28,975,800	32,259,000
DP Current Expense	75,400	57,400	102,200	328,500	102,000
Other Charges/Pass Thru	129,700	854,300	1,570,100	(93,000)	0
Operating Transfers	2,697,100	0	3,355,000	5,500,000	0
Depreciation	13,900	27,000	26,100	20,700	84,200
Total	\$35,390,600	\$29,800,700	\$30,644,100	\$36,652,600	\$34,388,000
Profit/Loss	(\$3,498,200)	\$2,430,000	\$2,209,400	(\$970,900)	(\$205,200)
Other Data					
Budgeted FTE	24.5	24.5	25.0	25.0	25.0
Actual FTE	24.6	24.0	24.1	24.8	0.0
Authorized Capital Outlay	20,000	0	0	0	100,000
Retained Earnings	4,399,300	6,829,300	9,038,700	8,067,800	7,862,600
Vehicles	5	5	5	5	5

Table 83

PROGRAMS – DIVISION OF RISK MANAGEMENT

ADMINISTRATION

Function

The State Risk Manager administers the state’s property, auto, and liability insurance programs. The property insurance program deductible is self-funded to \$2.5 million. Private providers cover any claims beyond that. Liability and auto physical damage insurance is entirely self-funded.

The Risk Management Fund handles claims against the state. Although coverage through the fund may be in formats similar to insurance policies, the relationship between the fund and entities covered by it is not that of insurer and insured. In managing and defending claims against covered entities, the Risk Management Fund will consider the covered entities’ interests, but the final determination as to claim management, defense and settlement is determined by the State Risk Manager.

Accountability

The following measures gauge the division’s performance in three key areas: Rates, prevention, and process effectiveness.

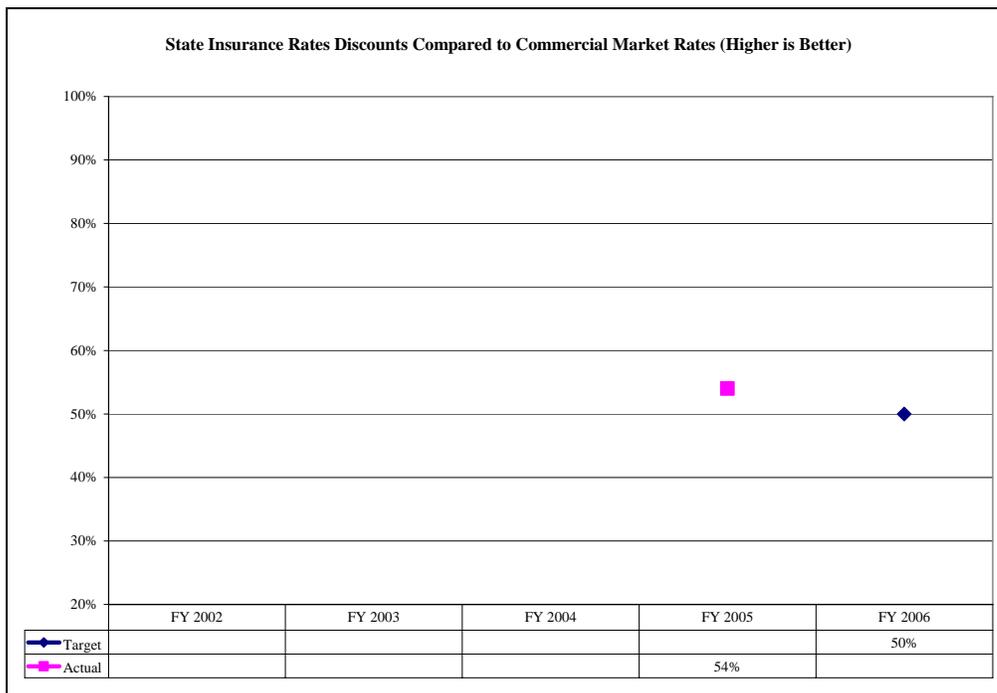


Figure 44

Measure: Division rates discounts compared to market rates.

Goal: Maintain division average rates discounts at fifty percent (or higher) of market rates.

Methodology: Average division rates divided by average market rates.

Measure Type: Outcome/Efficiency.

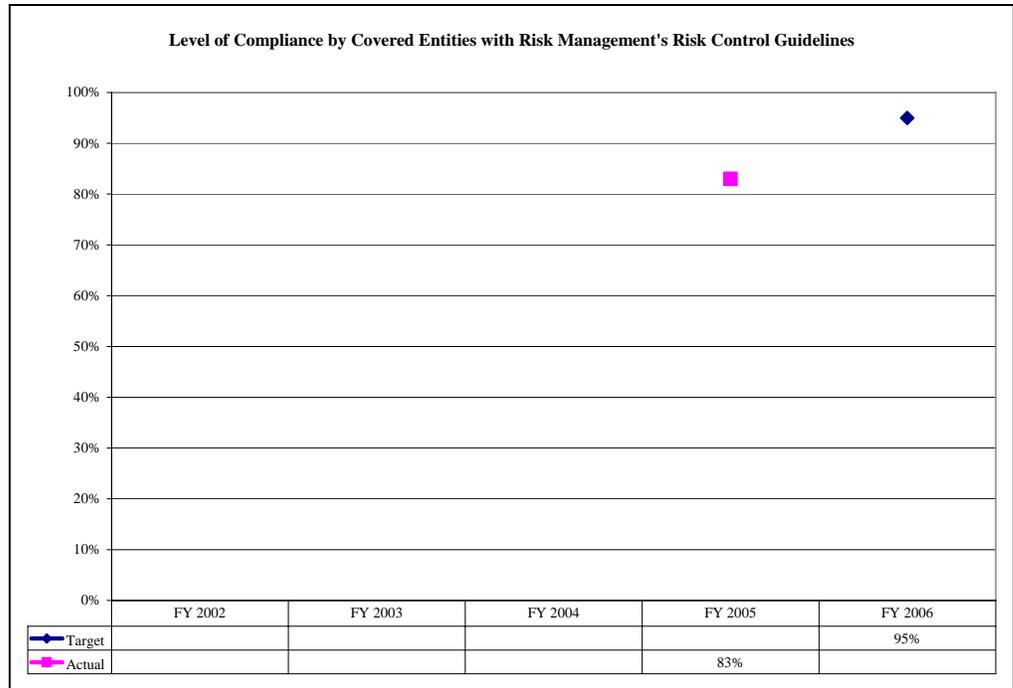


Figure 45

Measure: Level of compliance by covered entities with division risk control guidelines.

Goal: Maintain compliance rates at 95 percent or higher.

Methodology: Areas where covered entities are in compliance with division guidelines, divided by combined number of division areas.

Measure Type: Outcome

Note: The actions of customer agencies are outside the direct control of the division. However, the division attempts to influence this measure by motivating and educating customers to the benefits of compliance.

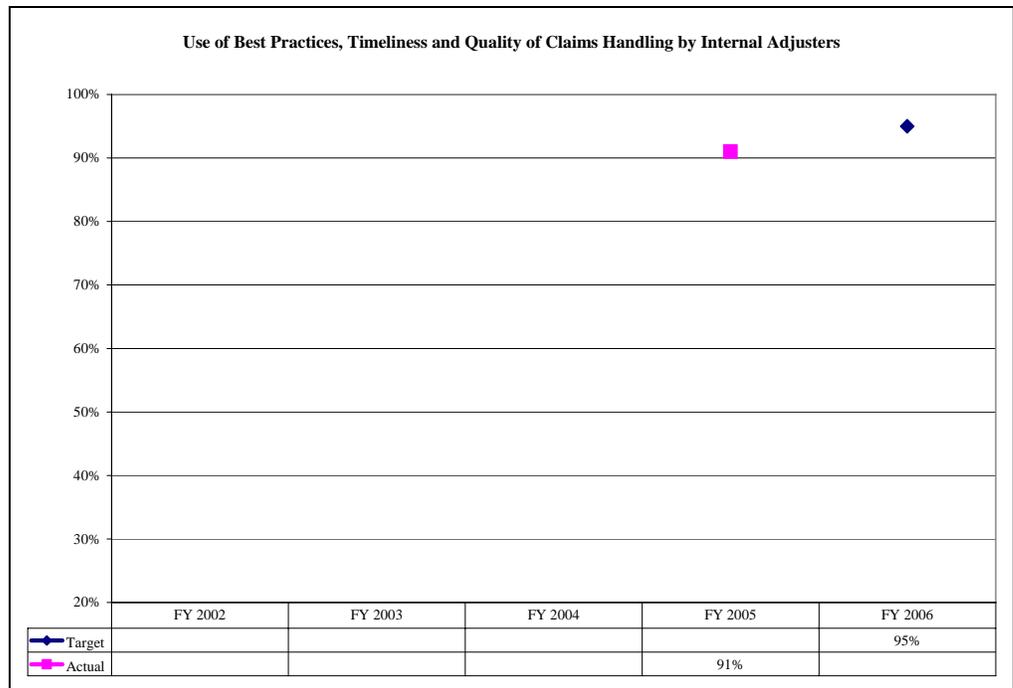


Figure 46

Measure: Use of best practices, timelines, and quality of claims handling by internal adjusters.

Goal: Maintain 95 percent or higher performance by internal adjusters.

Methodology: The division contracts with an insurance consulting firm to audit adjusters’ work to see if they are meeting standards in documentation, timeliness, fairness to both sides, compliance with regulations, etc. The contractor uses a rating scale to assign a score.

Measure Type: Outcome

Note: The division’s score of 91 percent in FY 2005 is considered a “Commendable Rating” by the insurance consulting firm.

Funding Detail

All revenue comes from insurance premiums or interest earned. The division returns excess retained earnings to the General Fund.

ISF History - Department of Administrative Services - ISF - Risk Management Administration					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Premiums	23,657,400	24,416,700	25,849,300	26,820,900	25,748,300
Interest Income	1,468,800	1,436,100	893,400	1,509,900	1,000,000
Total	\$25,126,200	\$25,852,800	\$26,742,700	\$28,330,800	\$26,748,300
Categories of Expenditure					
Personal Services	1,595,000	1,569,100	1,596,100	1,752,300	1,773,600
In-State Travel	13,200	11,800	9,300	15,500	15,000
Out of State Travel	15,400	3,800	2,800	2,300	0
Current Expense	24,636,200	20,589,100	17,446,400	22,079,500	24,773,500
DP Current Expense	75,400	57,400	102,200	328,500	102,000
Other Charges/Pass Thru	125,100	582,800	1,467,400	(93,000)	0
Operating Transfers	0	0	3,355,000	5,500,000	0
Depreciation	13,900	27,000	26,100	20,700	84,200
Total	\$26,474,200	\$22,841,000	\$24,005,300	\$29,605,800	\$26,748,300
Profit/Loss	(\$1,348,000)	\$3,011,800	\$2,737,400	(\$1,275,000)	\$0
Other Data					
Budgeted FTE	22.5	22.5	23.0	23.0	23.0
Actual FTE	22.6	22.0	22.1	22.9	0.0
Authorized Capital Outlay	20,000	0	0	0	100,000
Retained Earnings	2,678,000	5,689,800	8,427,200	7,152,200	7,152,200
Vehicles	5	5	5	5	5

Table 84

WORKERS' COMPENSATION

Function

The Risk Manager administers a self-funded program to collect and remit Workers' Compensation premiums and to keep Workers' Compensation claims to a minimum. As a result, rates (determined as a percentage of payroll) charged by the Workers' Compensation program remain low. This program is an internal service fund that is not affiliated with the Utah Workers' Compensation Fund, but premiums are paid to the Utah Workers' Compensation Fund.

Accountability

Since FY 2001 Workers' Compensation has intentionally kept premiums low in order to reduce retained earnings.

Workers Compensation Profit/Loss				
Fiscal Year	Revenue	Expense	Profit/Loss	Retained Earnings
1999	\$5,961,800	\$4,760,500	\$1,201,300	\$1,269,100
2000	\$6,033,300	\$4,755,000	\$1,278,300	\$2,171,600
2001	\$7,019,800	\$5,319,900	\$1,699,900	\$3,871,500
2002	\$6,766,200	\$8,916,400	(\$2,150,200)	\$1,721,300
2003	\$6,377,900	\$6,959,700	(\$581,800)	\$1,139,500
2004	\$6,110,800	\$6,638,800	(\$528,000)	\$611,500
2005	\$7,350,900	\$7,046,800	\$304,100	\$915,600

Table 85

Funding Detail

Restricted revenue in this program comes from Workers' Compensation premiums. Interest income has gradually declined as retained earnings and interest rates declined.

ISF History - Department of Administrative Services - ISF - Workers' Compensation					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Interest Income	108,200	32,600	2,300	0	0
Restricted Revenue	6,658,000	6,345,300	6,108,500	7,350,900	7,434,500
Total	\$6,766,200	\$6,377,900	\$6,110,800	\$7,350,900	\$7,434,500
Categories of Expenditure					
Personal Services	148,000	149,800	150,900	149,100	153,000
In-State Travel	2,600	1,800	1,200	1,400	1,200
Out of State Travel	2,000	0	0	0	0
Current Expense	6,062,100	6,536,600	6,384,000	6,896,300	7,485,500
Other Charges/Pass Thru	4,600	271,500	102,700	0	0
Operating Transfers	2,697,100	0	0	0	0
Total	\$8,916,400	\$6,959,700	\$6,638,800	\$7,046,800	\$7,639,700
Profit/Loss	(\$2,150,200)	(\$581,800)	(\$528,000)	\$304,100	(\$205,200)
Other Data					
Budgeted FTE	2.0	2.0	2.0	2.0	2.0
Actual FTE	2.0	2.0	2.0	1.9	0.0
Retained Earnings	1,721,300	1,139,500	611,500	915,600	710,400

Table 86

CHAPTER 22 DFCM FACILITIES MAINTENANCE (ISF)

Function	The internal service fund within DFCM provides building maintenance, management and preventive maintenance services to its state agency subscribers. The ISF performs maintenance and services such as janitorial, security, grounds maintenance, heating/air conditioning equipment repair, etc. to ensure each building's specific maintenance concerns are resolved in a timely and cost effective manner. The ISF also coordinates small building construction projects that may be required by various state agencies on a cost-reimbursement basis.
Statutory Authority	<p>Chapter 7 lists DFCM's statutory authority. However, the following pieces of the division's governing statute apply specifically to the ISF:</p> <ul style="list-style-type: none">➤ UCA 63A-5-204(2) requires the ISF to receive approval for its rates and fees from the Rate Committee and the Legislature. DFCM must also conduct a market analysis of its rates and fees by July 1, 2005 and periodically thereafter.➤ UCA 63A-5-204(3) requires the division to direct or delegate maintenance and operations, preventive maintenance, and facilities inspection programs and activities for any department, commission, institution or agency except the Capitol Preservation Board and higher education institutions. Maintenance can be delegated only if requested, the agency has proven ability to comply with state maintenance standards, and the delegation would save the state money.
Intent Language	<p>The Legislature adopted the following intent language for FY 2006 in H.B. 1, Appropriations Act:</p> <p><i>It is the intent of the Legislature that DFCM's internal service fund may add up to three FTEs and up to two vehicles beyond the authorized level if new facilities come on line or maintenance agreements are requested. Any added FTEs or vehicles will be reviewed and may be approved by the Legislature in the next legislative session.</i></p> <p>Until FY 1999, DFCM had been able to add FTE to its payroll only if there were an equivalent staff reduction in another agency. Agencies often request new or expanded services from DFCM during the course of the year. Without flexibility to add employees DFCM's customer service and competitive abilities suffered. To alleviate this problem, the Legislature approved the above intent language.</p>
Accountability	At an average of \$3.95 per square foot in FY 2005 , DFCM maintenance rates are about 57 percent of rates paid by the federal government and are lower than national private and local private rates.

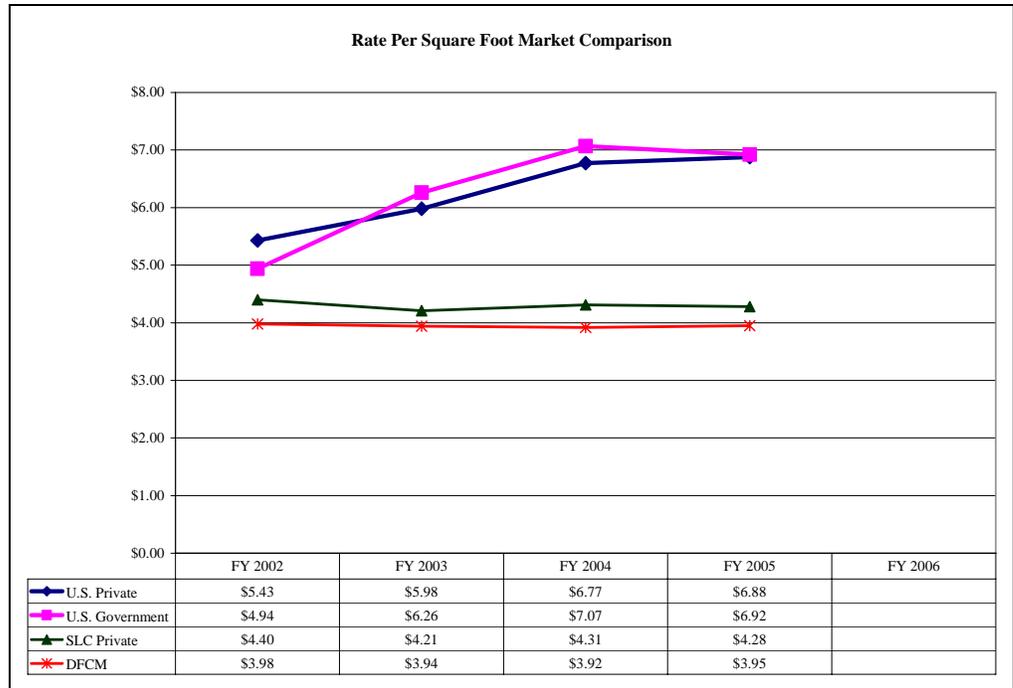


Figure 47

Measure: Rate per square foot market comparison.

Goal: Provide facility maintenance at rates lower than Salt Lake City average private market rate.

Methodology: U.S. Private, U.S. Government, and Salt Lake City Private figures come from the annual publication of BOMA International (Building Owners and Managers Association).

Measure Type: Efficiency

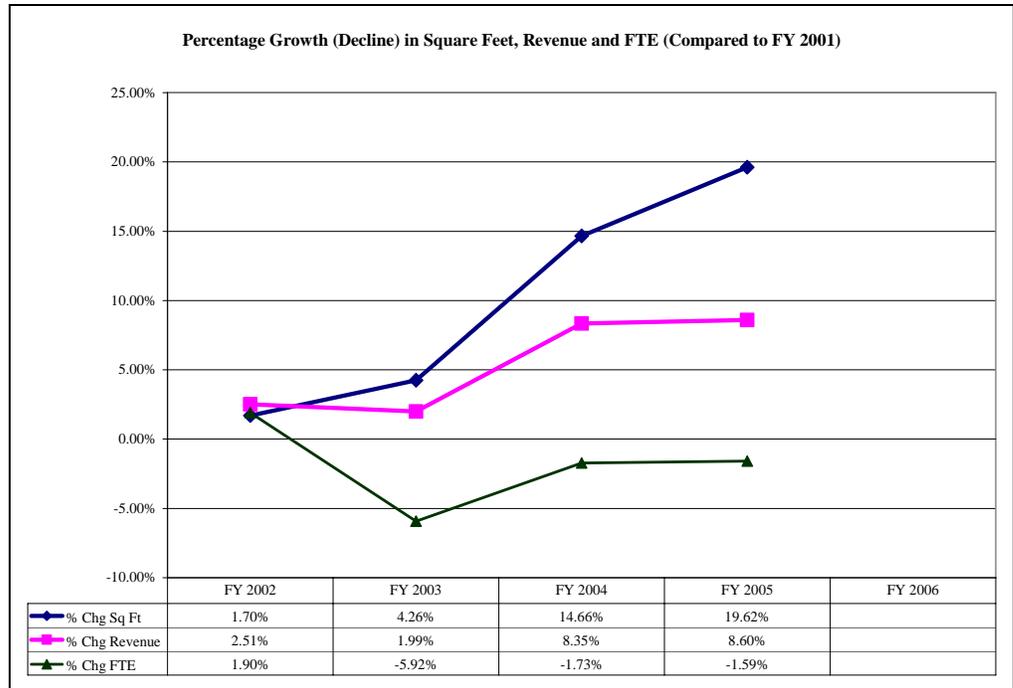


Figure 48

Measure: Percentage growth (decline) in square feet managed, revenues collected, and FTE.

Goal: Effective facility maintenance while keeping revenue and FTE percentage growth lower than square footage percentage growth.

Methodology: Using FY 2001 as the baseline, calculate annual growth in square feet managed, revenues collected, and FTE.

Measure Type: Efficiency

Note: DFCM’s authorized FTE count is based on legislative approval of full-time permanent employees, but can fluctuate according to the intent language discussed above. During the summer months DFCM adds temporary employees for grounds maintenance at the Capitol and other large state facilities. The Legislature has not been counting these temporary positions against the legislatively authorized FTE level. Actual FTE peaked in FY 2002, declined substantially in FY 2003, and has remained fairly constant since. In FY 2006 two FTE will transfer from the Computer Aided Design program to the appropriated budget.

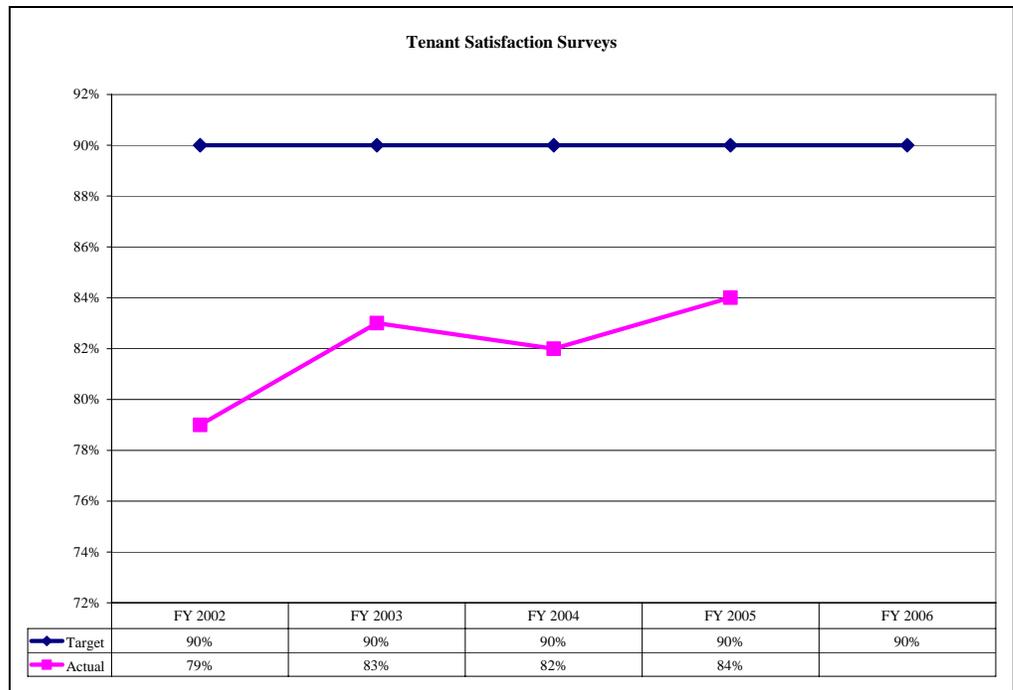


Figure 49

Measure: Tenant satisfaction surveys.

Goal: Ninety percent customer satisfaction.

Methodology: Tenant satisfaction surveys are conducted to determine the quality of service provided.

Measure Type: Outcome.

Funding Detail

This ISF’s managers have achieved positive operating results for the past four years, which has resulted in slight growth in retained earnings. The division’s budgeted FTE count is based on legislative approval of full-time permanent employees, but can fluctuate according to the intent language discussed above. During the summer months DFCM adds temporary employees for grounds maintenance at the Capitol and other large state facilities. The Legislature has not been counting these temporary positions against the legislatively authorized FTE level.

ISF History - Department of Administrative Services - ISF - Facilities Management					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Interest Income	200	100	100	100	0
Dedicated Credits - Intragvt Rev	19,001,900	18,971,900	19,782,100	19,485,700	20,060,500
Sale of Fixed Assets	0	(7,200)	0	0	0
Trust and Agency Funds	171,700	0	0	0	0
Total	\$19,173,800	\$18,964,800	\$19,782,200	\$19,485,800	\$20,060,500
Categories of Expenditure					
Personal Services	6,047,300	5,798,500	5,699,900	5,935,600	5,878,100
In-State Travel	20,100	17,700	9,100	12,500	8,400
Out of State Travel	7,000	7,900	7,600	5,100	18,700
Current Expense	12,509,000	12,187,200	13,267,700	12,843,600	13,489,800
DP Current Expense	246,900	253,400	386,300	268,800	385,900
Other Charges/Pass Thru	229,300	325,900	323,200	166,300	157,600
Operating Transfers	11,800	0	0	0	0
Depreciation	73,300	59,800	54,700	37,400	41,800
Total	\$19,144,700	\$18,650,400	\$19,748,500	\$19,269,300	\$19,980,300
Profit/Loss	\$29,100	\$314,400	\$33,700	\$216,500	\$80,200
Other Data					
Budgeted FTE	121.9	121.9	121.0	121.0	119.0
Actual FTE	120.8	111.2	115.1	115.3	0.0
Authorized Capital Outlay	96,700	5,500	34,000	51,100	73,200
Retained Earnings	750,500	1,064,900	1,098,700	1,315,200	1,395,400
Vehicles	73	76	72	72	76

Table 87

CHAPTER 23 DEPARTMENT OF TECHNOLOGY SERVICES – APPROPRIATED

Function	<p>The Department of Technology Services (DTS) manages information technology (IT) programs and resources statewide. It acts as the Executive Branch’s lead agency on IT, working with all other state agencies to ensure efficient and effective investment in and operation of IT. It responds first and foremost to the business needs of its customers – other agencies in the state.</p> <p><i>Information Technology Governance Amendments</i> (House Bill 109, 2005 General Session) created a new Department of Technology Services. The bill immediately moved the Office of the Chief Information Officer and the Automated Geographic Reference Center in to DTS. Those directly appropriated functions are addressed here.</p> <p>H.B. 109 also provided mechanisms through which the governor shall consolidate the Division of Information Technology Services and all agency information technology functions into DTS before July 1, 2006. The internal service fund portion of DTS, including ITS, will be addressed in the following chapter.</p>
Statutory Authority	<p>UCA 63F-1-103 creates the Department of Technology Services and gives DTS authority to operate as an internal service fund. The statute requires DTS to:</p> <ul style="list-style-type: none"> ➤ Reengineer state government IT architecture and governance; ➤ Coordinate strategic planning and best meet the business needs of customer agencies; ➤ Improve efficiency of state IT resources through certain defined best practices; ➤ Act as the General Contractor for acquisition of IT resources statewide; ➤ Assist the Governor’s Office of Planning and Budget with development of statewide IT budgets.
Funding Detail	<p>The following table illustrated funds appropriated to DTS for fiscal year 2006. For comparison purposes, it also includes historical information for the Chief Information Officer and Automated Geographic Reference Center.</p>

Budget History - Department of Technology Services					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	456,700	727,600	760,300	940,700	1,299,000
General Fund, One-time	0	0	456,500	509,300	400,000
Federal Funds	0	0	552,200	495,500	50,000
Dedicated Credits Revenue	0	156,600	458,000	428,400	544,400
GFR - E-911 Emergency Services	0	0	0	250,000	250,000
Beginning Nonlapsing	0	123,800	182,500	192,100	0
Closing Nonlapsing	0	(182,500)	(192,100)	(724,000)	0
Lapsing Balance	0	0	(125,300)	0	0
Total	\$456,700	\$825,500	\$2,092,100	\$2,092,000	\$2,543,400
Line Items					
Chief Information Officer	0	464,900	532,900	563,200	972,200
Integrated Technology	456,700	360,600	1,559,200	1,528,800	1,571,200
Total	\$456,700	\$825,500	\$2,092,100	\$2,092,000	\$2,543,400
Categories of Expenditure					
Personal Services	0	403,200	1,253,900	1,354,600	1,574,900
In-State Travel	0	400	14,700	26,500	12,100
Out of State Travel	0	12,800	29,700	26,700	15,900
Current Expense	0	29,000	308,000	320,400	696,700
DP Current Expense	0	19,500	268,600	170,400	164,800
DP Capital Outlay	0	0	26,800	63,100	23,000
Other Charges/Pass Thru	456,700	360,600	190,400	130,300	56,000
Total	\$456,700	\$825,500	\$2,092,100	\$2,092,000	\$2,543,400
Other Data					
Budgeted FTE	0.0	5.0	15.0	18.0	14.5
Actual FTE	0.0	4.1	18.6	22.1	0.0

Table 88

LINE ITEMS – DEPARTMENT OF TECHNOLOGY SERVICES

CHIEF INFORMATION OFFICER

Function	By statute, the Executive Director of the Department of Technology Services serves as the State’s Chief Information Officer (CIO). In addition to administering the Department, the CIO provides policy direction and strategic vision for state information technology endeavors. The CIO reports directly to the governor, as well as to the Utah Technology Commission and Public Utilities and Technology Interim Committee. He or she has a seven member advisory board from which to seek input.
Statutory Authority	<p>The following statutes govern the Chief Information Officer:</p> <ul style="list-style-type: none"> ➤ UCA 63F-1-201 creates the CIO and assigns reporting requirements; ➤ UCA 63F-1-202 creates a Technology Advisory Board from which the CIO can seek advice; ➤ UCA 63F-1-203 and 204 require the CIO to develop and review information technology strategic plans; ➤ UCA 63F-1-205 empowers the CIO to acquire information technology assets for state agencies only after thorough business needs assessments; ➤ UCA 63F-1-206 gives the CIO rulemaking authority; ➤ UCA 63F-1-207 directs the CIO to coordinate executive branch IT plans with those of other branches of state government; ➤ UCA 63F-1-208 and 209 give the CIO sole authority to hire information technology staff and discretion to delegate those staff and associated functions to other agencies of state government;
Funding Detail	The following table shows the CIO’s budget for FY 2006, as well as budget history for years prior to FY 2006 during which the CIO was part of the Governor’s Office.

Budget History - Technology Services - Chief Information Officer					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	0	367,000	388,800	553,500	572,200
General Fund, One-time	0	0	153,700	2,600	400,000
Dedicated Credits Revenue	0	156,600	0	0	0
Beginning Nonlapsing	0	123,800	182,500	192,100	0
Closing Nonlapsing	0	(182,500)	(192,100)	(185,000)	0
Total	\$0	\$464,900	\$532,900	\$563,200	\$972,200
Categories of Expenditure					
Personal Services	0	403,200	436,200	461,400	499,500
In-State Travel	0	400	2,000	3,100	2,100
Out of State Travel	0	12,800	14,100	10,800	9,000
Current Expense	0	29,000	41,800	68,500	448,000
DP Current Expense	0	19,500	14,800	7,400	13,600
Other Charges/Pass Thru	0	0	24,000	12,000	0
Total	\$0	\$464,900	\$532,900	\$563,200	\$972,200
Other Data					
Budgeted FTE	0.0	5.0	5.0	5.0	4.5
Actual FTE	0.0	4.1	4.1	4.6	0.0

Table 89

AUTOMATED GEOGRAPHIC REFERENCE CENTER (AGRC)

Function The Automated Geographic Reference Center (AGRC) maintains and operates Utah's State Geographic Information Database (SGID). It works with other agencies of state government to collect and retain geospatial data. It assists agencies in culling information from that data using computer applications. It supports the state's Map Portal. Examples of its work include collection of high-resolution geographically correct images, mapping of rural RS-2477 roads, and determination of legislative district boundaries.

Statutory Authority The following laws govern operation of the AGRC:

UCA 63F-1-506 creates the AGRC as part of the Department of Technology Services (DTS). The AGRC is required to:

- Provide Geographic Information System (GIS) services to state agencies, federal government, local political subdivisions, and private persons under rules established by the division
- Manage the SGID
- Establish standard format, lineage, and other requirements for the database

The division may make rules, establish policies, and set fees for its services

UCA 63F-1-507 creates the State Geographic Information Database (SGID) to be managed by the AGRC. The database must:

- Serve as the central reference for all information contained in any GIS database by any state agency
- Serve as a clearing house and repository for all data layers required by multiple users
- Serve as a standard format for geographic information acquired, purchased, or produced by any state agency

UCA 63F-1-507 also stipulates that:

- Each agency that has geographic information data must inform the AGRC of the existence of the data and allow the center access to all public data.
- At least annually the Tax Commission must give the AGRC information on the creation or modification of political subdivisions.

UCA 63F-1-508 creates within the AGRC a subcommittee to award grants to counties to inventory and map RS-2477 rights-of-way.

Intent Language In order to ensure a smooth transition of this program to the new Department of Technology Services, the Legislature passed intent language in the *Supplemental Appropriations Act II* (Senate Bill 3, 2005 General Session):

The Legislature intends that FY 2005 funds appropriated to the Department of Administrative Services – Automated Geographic Reference Center that do not lapse under authority granted in the Supplemental Appropriations Act (S.B. 1, 2005 General Session) shall be transferred to the Department of Technology Services – Division of Integrated Technology – Automated Geographic Reference Center on July 1, 2005.

Funding Detail

Prior to FY 2004, the AGRC was subsidized by revenue generated within the ITS Internal Service Fund. Beginning with FY 2004, the Legislature provided AGRC’s entire budget as a direct appropriation. \$300,000 of the FY 2004 appropriation was one-time pending an ITS rate reduction equal to the amount previously subsidizing AGRC. The 2004 Legislature approved the rate reduction, so ITS internal service fund customers are no longer subsidizing the AGRC.

Beginning in FY 2006, AGRC is part of the new Department of Technology Services, Integrated Technology Division. For comparison purposes, AGRC’s historical budget is also shown with DTS, below.

Budget History - Technology Services - Integrated Technology - Automated Geographic Reference Center					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	456,700	360,600	371,500	387,200	726,800
General Fund, One-time	0	0	302,800	506,700	0
Federal Funds	0	0	552,200	495,500	50,000
Dedicated Credits Revenue	0	0	458,000	428,400	544,400
GFR - E-911 Emergency Services	0	0	0	250,000	250,000
Closing Nonlapsing	0	0	0	(539,000)	0
Lapsing Balance	0	0	(125,300)	0	0
Total	\$456,700	\$360,600	\$1,559,200	\$1,528,800	\$1,571,200
Categories of Expenditure					
Personal Services	0	0	817,700	893,200	1,075,400
In-State Travel	0	0	12,700	23,400	10,000
Out of State Travel	0	0	15,600	15,900	6,900
Current Expense	0	0	266,200	251,900	248,700
DP Current Expense	0	0	253,800	163,000	151,200
DP Capital Outlay	0	0	26,800	63,100	23,000
Other Charges/Pass Thru	456,700	360,600	166,400	118,300	56,000
Total	\$456,700	\$360,600	\$1,559,200	\$1,528,800	\$1,571,200
Other Data					
Budgeted FTE	0.0	0.0	10.0	13.0	10.0
Actual FTE	0.0	0.0	14.5	17.6	0.0

Table 90

Special Funding

The table below provides information on the restricted account used by AGRC. The account was created in the 2004 General Session to be used beginning in FY 2005.

Restricted Funds Summary - Automated Geographic Reference Center

Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2005 Balance
Statewide Unified E-911 Emergency Service Fund	UCA 53-10-603	Telephone user fees	Enhance Public Safety; Statewide Wireless E911 Service	\$0

Table 91

CHAPTER 24 DEPARTMENT OF TECHNOLOGY SERVICES – ISF

Function	As noted in Chapter 23, the Department of Technology Services (DTS) acts as Utah’s central service provider for information technology (IT) related activities. While part of DTS’ budget is directly appropriated, another part will be financed by billing customer agencies. This chapter addresses that latter part of DTS, the Internal Service Fund (ISF) portion.
Statutory Authority	<p>The following statutes govern the Department of Technology Services Internal Service Fund:</p> <ul style="list-style-type: none"> ➤ UCA 63F-1-103 creates the Department of Technology Services and gives DTS authority to operate as an internal service fund. ➤ UCA 63F-1-301 creates an Information Technology Rate Committee that reviews and approves all rates before they are charged by DTS. The rate committee forwards such rates to the Legislature for final authorization. ➤ UCA 63-38, “Budgetary Procedures Act” defines internal service funds and sets guidelines for their operations.
Intent Language	<p>In order to allow DTS to transfer personnel from the Division of Information Technology Services during FY 2006, the Legislature included the following intent language in the <i>Supplemental Appropriations Act II</i> (Senate Bill 3, 2005 General Session):</p> <p style="text-align: center;"><i>The Legislature intends that for each full-time equivalent position filled in the Department of Technology Services internal service funds at least one position will be vacated and eliminated at the Department of Administrative Services – Division of Information Technology Services or elsewhere in state government.</i></p> <p>Note that while the total number of full-time equivalent positions authorized by the Legislature for FY 2006 appears to double count DTS employees (236 positions), the Legislature does not intend for the total number of individuals employed by the state to increase by 236. Each time a position is filled in DTS, one must be eliminated elsewhere. The double-counting of FTE positions will discontinue when the Division of Information Technology Services (ITS) sunsets at the end of FY 2006.</p>
Funding Detail	As the internal service fund portion of DTS is to be determined by the Executive Branch’s implementation of <i>Information Technology Governance Amendments</i> (House Bill 109, 2005 General Session), the Legislature provided only Full Time Equivalent employment authorization and capital asset acquisition authority to DTS’ internal service fund for FY 2006. Revenues, rates, and projected expenditures will be determined as products are defined by the Chief Information Officer and Information Technology Rate Committee.

ISF History - Department of Technology Services - Enterprise Technology Division					
Sources of Finance	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Appropriated
Total	\$0	\$0	\$0	\$0	\$0
Programs					
Total	\$0	\$0	\$0	\$0	\$0
Categories of Expenditure					
Total	\$0	\$0	\$0	\$0	\$0
Profit/Loss	\$0	\$0	\$0	\$0	\$0
Other Data					
Budgeted FTE	0.0	0.0	0.0	0.0	236.0
Authorized Capital Outlay	0	0	0	0	6,800,500

Table 92

CHAPTER 25 CAPITAL BUDGET**Function**

The Capital Budget funds new construction, major remodeling, alterations, repairs, improvements, real estate, roofing and paving projects.

The Capital Budget is divided into three line items:

1. Capital Developments
2. Capital Improvements
3. Property Acquisition

Statutory Authority

UCA 63A-5-104 defines “Capital Developments” as either of the following:

- A remodeling, site, or utility project with a cost of \$1,500,000 or more
- A new facility with a construction cost of \$250,000 or more
- A purchase of real property where an appropriation is requested to fund the purchase

The same statute defines “Capital Improvements” as either of the following:

- A remodeling, alteration, replacement or repair project with a total cost of less than \$1,500,000
- A site and utility improvement with a total cost less than \$1,500,000
- New facility with a total construction cost of less than \$250,000

UCA 63A-5-103 requires the State Building Board to develop and maintain a Five-Year Building Program for submission to the governor and Legislature that includes:

- A priority list of capital development projects
- Detailed information for each project recommended in the first two years of the plan
- A summary of Contingency Reserve and Project Reserve balances
- Information about state leased facilities
- The results of facility condition assessments including the cost of needed improvements

UCA 63A-5-104(2) requires the State Building Board to submit its capital development recommendations and priorities to the Legislature for approval and prioritization. The SBB makes recommendations on behalf of all state agencies, commissions, departments and institutions.

A capital development project may not be constructed on state property without legislative approval *unless*:

- The Building Board determines that a requesting higher education institution has provide adequate assurance that state funds will not be

used for construction, O&M, or future capital improvements of the facility, and the new facility is consistent with the needs of the institution and the state

- The renovation, remodeling, or retrofitting of an existing facility will be done with non-state funds
- Facilities will be built with non-state funds and owned by non-state entities within research park areas at the U of U or USU
- Facilities will be built at This is the Place State Park
- Projects are funded by the Navajo Trust Fund and Uintah Basin Revitalization Fund, and do not provide a new facility for a state agency or higher education institution
- Projects are on school and institutional trust lands and funded from the Land Grant Management Fund, and do not provide a new facility for a state agency or higher education institution
- The project will be constructed by UDOT as a result of an exchange of real property under UCA 72-5-111, however, when UDOT approves these exchanges it must notify the Senate President, House Speaker, and CFAS co-chairs about any new facilities to be built under this exemption

UCA 63A-5-104(4) requires the State Building Board, on behalf of all state agencies and institutions, to submit by January 15 of each year a list of anticipated capital improvement requirements to the Legislature. Unless otherwise directed by the Legislature, the Building Board must prioritize capital improvements from the list submitted to the Legislature up to the level of money appropriated. In an emergency situation the Building Board may reallocate capital improvement funds.

UCA 63A-5-104(5) prohibits the Legislature from funding the design or construction of any new capital development projects, except to complete already begun projects, until the Legislature has appropriated 1.1 percent of the replacement cost of existing state facilities to capital improvements. However, if the Legislature determines that an operating deficit exists, it may help reduce the deficit by reducing the appropriation to 0.9 percent.

“Replacement cost” is determined by the Division of Risk Management, except for auxiliary facilities as defined by the Building Board.

The Building Board may make rules allocating to institutions and agencies their proportionate share of capital improvement funding.

In UCA 63A-5-104(9) the Legislature declares its intention to fund at least half of the capital improvement requirement with the General Fund.

UCA 63-38-8(3)(d) prohibits transfers from a line item of any agency or institution into the Capital Projects Fund without the prior express approval of the Legislature.

Previous Action

In the 2005 General Session and First Special Session the Legislature approved the following projects:

Legislatively Approved Capital Projects - 2005 Sessions						
<u>State Funded Projects</u>	<u>State Funds</u>	<u>G.O. Bonds</u>	<u>Other Funds</u>	<u>Anticipated Donations</u>	<u>Total</u>	<u>Bill(s)</u>
Capital Improvements	\$56,161,600				\$56,161,600	H.B. 1 & 301
CPB State Capitol Renov	\$50,000,000				\$50,000,000	S.B. 1
DHS Develop Ctr Housing	\$2,575,000				\$2,575,000	H.B. 301
UDC 288-Beds Gunnison	\$13,216,200		\$1,383,800		\$14,600,000	H.B. 301
DSC Health Sciences Building	\$15,743,000			\$2,582,500	\$18,325,500	H.B. 301
UU Marriott Library & ASRS	\$48,023,000			\$22,700,000	\$70,723,000	S.B. 1
UU Museum of Fine Arts	\$465,000				\$465,000	S.B. 1
SUU Teacher Ed Building	\$10,000,000				\$10,000,000	H.B. 301
BATC Bourns Bldg Purchase	\$3,585,500				\$3,585,500	S.B. 1
UNG Veterans Nursing Home		\$4,500,000			\$4,500,000	H.B. 1007
Subtotal State Funded	\$199,769,300	\$4,500,000	\$1,383,800	\$25,282,500	\$230,935,600	
<u>Appropriated Separately</u>						
DNR State Parks Renovations	\$2,000,000				\$2,000,000	H.B. 301
USU Relocate Ag Buildings	\$5,000,000				\$5,000,000	H.B. 301
Total State Funded	\$206,769,300	\$4,500,000	\$1,383,800	\$25,282,500	\$237,935,600	
<u>Other Funded Projects</u>	<u>SBOA Bonds</u>	<u>USHE Bonds</u>	<u>Other Funds</u>	<u>Anticipated Donations</u>	<u>Total</u>	<u>Bill(s)</u>
DABC Three Liquor Stores	\$7,867,000				\$7,867,000	H.B. 287
UU Hospital Expansion		\$42,000,000	\$45,500,000		\$87,500,000	H.B. 287
WSU Shepherd Union Renov		\$20,000,000			\$20,000,000	H.B. 287
DNR Fire Management Ctr			\$694,000		\$694,000	H.B. 301
Courts Provo Land Purchase			\$300,000		\$300,000	H.B. 301
UDOT Vernal Maint Bldg			\$1,457,000		\$1,457,000	H.B. 301
MATC Span Fk Lease Purch			\$3,250,000		\$3,250,000	H.B. 287
UNG 85th CST Readiness Ctr			\$2,068,000		\$2,068,000	H.B. 287
UNG Joint Forces HQ Addition			\$1,460,000		\$1,460,000	H.B. 287
UNG 19th Spec Forces Addn			\$1,500,000		\$1,500,000	H.B. 287
UNG 117th Util/120th QM Det			\$1,500,000		\$1,500,000	H.B. 287
DNR Fish Experiment Station			\$938,000		\$938,000	H.B. 287
UU Social Work Bldg Addn				\$3,500,000	\$3,500,000	H.B. 287
UU Humanities Bldg Phase I				\$11,100,000	\$11,100,000	H.B. 287
SC Stadium Renovation				\$5,000,000	\$5,000,000	H.B. 287
CUCF/Snow Education Facil				\$2,263,000	\$2,263,000	H.B. 287
CEU Fine Arts Center				\$11,200,000	\$11,200,000	S.B. 3
Total Other Funded	\$7,867,000	\$62,000,000	\$58,667,000	\$33,063,000	\$161,597,000	

Table 93

Funding Detail

The Legislature used \$35 million in ongoing funds for capital projects in the 2005 General Session. By legislative action another \$2,698,000 from interest savings on buildings (as a result of reduced bonding) will enter the base budget in FY 2007, making the FY 2007 ongoing base \$37,698,000. The ongoing portion of the base is made up of General Fund and Income Tax – but the State can take advantage of one-time funds, bonds, donations and federal funds to pay for projects. Since FY 2004 this table does not show all funding for capital projects, but only cash appropriations (excludes bonds that are approved in bills other than appropriations acts).

Budget History - Capital Budget					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	22,634,000	35,506,700	27,584,700	26,976,900	53,600,800
General Fund, One-time	0	0	(4,200,000)	51,540,000	(2,698,000)
Income Tax	17,000,000	4,900,000	17,000,000	17,000,000	40,258,800
Income Tax, One-time	0	0	0	52,073,500	6,534,200
Transportation Fund, One-time	0	0	0	0	1,457,000
Federal Funds	0	7,900,300	0	1,024,300	1,383,800
Dedicated Credits Revenue	0	0	4,200,000	0	0
Dedicated Credits - GO Bonds	143,390,000	138,020,000	0	0	0
GFR - Special Administrative Ex	1,186,700	0	0	2,801,000	0
GFR - Wildlife Resources Trust	0	0	0	250,000	0
Project Reserve Fund	0	800,000	0	0	0
Contingency Reserve Fund	0	0	0	0	919,000
Total	\$184,210,700	\$187,127,000	\$44,584,700	\$151,665,700	\$101,455,600
Line Items					
Capital Development	144,576,700	146,620,300	6,070,000	101,289,000	45,069,000
Capital Improvements	39,594,000	40,506,700	38,514,700	43,976,900	56,161,600
Capital Planning	40,000	0	0	0	0
Property Acquisition	0	0	0	6,399,800	225,000
Total	\$184,210,700	\$187,127,000	\$44,584,700	\$151,665,700	\$101,455,600
Categories of Expenditure					
Other Charges/Pass Thru	184,210,700	187,127,000	44,584,700	151,665,700	101,455,600
Total	\$184,210,700	\$187,127,000	\$44,584,700	\$151,665,700	\$101,455,600

Table 94

LINE ITEMS – CAPITAL BUDGET

STATE FUNDED CAPITAL DEVELOPMENT

Function Capital developments include renovations or other projects costing \$1,500,000 or more, new facilities costing \$250,000 or more, or real property purchases needing an appropriation for financing. The purpose of this section is to provide information on proposed state funded capital developments. Non-state funded capital development proposals (also known as “other fund” projects) will be presented in the next section.

Funding Detail A list of capital projects funded in this line item is provided in the table below under “Programs.” The Legislature used \$35 million in ongoing funds for capital projects in the 2005 General Session. By legislative action another \$2,698,000 from interest savings on buildings (as a result of reduced bonding) will enter the base budget in FY 2007, making the FY 2007 ongoing base \$37,698,000.

Budget History - Capital Budget - Capital Development					
Sources of Finance	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Appropriated
General Fund	0	0	1,870,000	0	18,489,200
General Fund, One-time	0	0	0	50,000,000	(2,698,000)
Income Tax	0	0	0	0	19,208,800
Income Tax, One-time	0	0	0	48,488,000	6,534,200
Transport Fund, One-time	0	0	0	0	1,457,000
Federal Funds	0	7,900,300	0	0	1,383,800
Dedicated Credits Revenue	0	0	4,200,000	0	0
Dedicated Credits - GO Bonds	143,390,000	138,020,000	0	0	0
GFR - Special Admin Expense	1,186,700	0	0	2,801,000	0
Project Reserve Fund	0	700,000	0	0	0
Contingency Reserve Fund	0	0	0	0	694,000
Total	\$144,576,700	\$146,620,300	\$6,070,000	\$101,289,000	\$45,069,000
Programs					
Capital Development Fund	144,576,700	146,620,300	6,070,000	2,801,000	0
CPB State Capitol Building	0	0	0	50,000,000	0
DSC Health Sciences Building	0	0	0	0	15,743,000
UU Marriott Library	0	0	0	48,023,000	0
DHS Developmental Center Ho	0	0	0	0	2,575,000
UDC Gunnison Inmate Housing	0	0	0	0	14,600,000
SUU Teacher Education Buildir	0	0	0	0	10,000,000
UDOT Vernal Maintenance Cor	0	0	0	0	1,457,000
DNR Fire Management Service	0	0	0	0	694,000
Utah Museum of Fine Arts	0	0	0	465,000	0
Total	\$144,576,700	\$146,620,300	\$6,070,000	\$101,289,000	\$45,069,000
Categories of Expenditure					
Other Charges/Pass Thru	144,576,700	146,620,300	6,070,000	101,289,000	45,069,000
Total	\$144,576,700	\$146,620,300	\$6,070,000	\$101,289,000	\$45,069,000

Table 95

*Building Board
prioritization of state
funded requests*

On [October 20, 2005](#), the State Building Board prioritized all requests submitted by the Board of Regents and state agencies for state funded capital developments. The following table shows their results. More detail on each proposed project will be provided later.

Utah State Building Board FY07 Capital Development Requests Recommended Priorities October 20, 2005					Building Board Weighted Scores							
Rank	Agency/ Institution	Project	Requested State Funding	Cumulative Amount	% New	Existing Deficiencies	Space Need	Cost Effective	Program Effectiveness	Critical Program	Alternative Funding	Total Score
1	UVSC	Digital Learning Center	\$48,000,000	\$48,000,000	100%	0.0	10.0	7.1	4.4	10.0	0.0	31.5
2	UCAT	UBATC/USU Vernal Campus	\$9,942,000	\$57,942,000	100%	0.0	7.4	6.6	4.0	10.0	3.1	31.1
3	DNR	DWR Midway Fish Hatchery	\$5,000,000	\$62,942,000	15%	7.3	1.2	7.1	4.0	7.4	3.9	30.9
4	Corrections	CUCF North Site Expansion	\$20,000,000	\$82,942,000	100%	0.0	9.1	6.6	3.0	9.7	0.0	28.4
5	Various	Unified State Lab	\$41,259,000	\$124,201,000	58%	3.9	4.3	7.4	4.3	9.1	0.0	29.0
6	WSU	Classroom Building/ Chiller Plant	\$24,650,000	\$148,851,000	63%	3.1	4.0	7.4	3.7	8.3	1.7	28.2
7	Courts	St. George Courthouse	\$27,626,000	\$176,477,000	52%	3.0	4.2	7.7	3.1	7.7	0.4	26.1
8	UCAT	DATC Technology/ Manufacturing Bldg.	\$12,975,000	\$189,452,000	100%	0.0	6.9	6.3	3.9	8.6	0.0	25.7
9	Snow	Library/ Classroom Building	\$18,531,000	\$207,983,000	100%	0.0	5.1	6.3	3.6	8.0	1.5	24.5
10	USU	Agriculture Relocation	\$5,000,000	\$212,983,000	0%	4.6	0.0	6.3	4.0	9.4	0.0	24.3
11	Brd. Of Ed.	Deaf & Blind Connor St. Replace.	\$10,760,000	\$223,743,000	100%	0.0	6.6	6.3	3.7	7.7	0.0	24.3
12	Multi-Agency	Richfield Regional Center	\$7,236,000	\$230,979,000	46%	3.2	3.4	8.0	3.3	6.3	0.0	24.2
13	UCAT	MATC North Utah County Land Purchase	\$4,500,000	\$235,479,000	89%	0.2	6.8	5.4	3.7	8.0	0.0	24.1
14	Courts	Ogden Property Acquisition	\$2,200,000	\$237,679,000	100%	0.0	6.0	4.9	2.9	5.7	4.5	24.0
15	SLCC	South City Digital Design/ Comm. Ctr & Student Life	\$38,418,000	\$276,097,000	80%	0.5	6.6	6.0	3.7	6.3	0.4	23.5
16	USU	Agricultural Science/ Classroom	\$69,542,000	\$345,639,000	63%	3.4	3.4	5.7	3.7	7.1	0.0	23.3
17	UCAT	OWATC Health Technology Bldg	\$13,992,000	\$359,631,000	100%	0.0	4.6	6.0	3.7	8.3	0.0	22.6
18	DHS	New Weber Valley Detention Center	\$9,658,000	\$369,289,000	54%	1.0	3.9	6.3	3.7	7.4	0.0	22.3
19	Tax, DPS	Joint Driver License/ DMV Buildings	\$11,310,000	\$380,599,000	78%	0.6	4.7	6.3	3.1	7.4	0.0	22.1
20	Dixie	Science Building Addition	\$8,743,000	\$389,342,000	71%	0.7	4.0	5.7	3.9	7.7	0.0	22.0
21	CEU	Fine Arts Building	\$16,254,000	\$405,596,000	62%	3.5	1.6	5.7	3.1	6.3	0.0	20.2
22	SUU	Science Center Addition	\$18,523,000	\$424,119,000	100%	0.0	4.0	5.4	3.1	7.1	0.2	19.8
23	Brd. Of Ed.	Buffmire Rehabilitation Center Annex	\$8,059,000	\$432,178,000	100%	0.0	4.6	6.0	3.1	6.0	0.0	19.7

Note: The Building Board deviated from the priority order suggested by the scoring to place the Corrections CUCF Expansion ahead of the Unified Lab due to the criticality of providing for this increase in prison beds in the upcoming legislative session.

Table 96

FY 2007 BOARD OF REGENTS COMPARED TO BUILDING BOARD PRIORITIES

Function

Each year higher education institutions submit their capital development proposals for consideration by the Board of Regents and the State Building Board. Both boards consider existing space in their evaluations of capital development requests. If an existing facility is in poor condition, has life safety issues, or has inadequate space by type (e.g. classroom, labs, offices, study areas, or P.E.), then both boards’ systems should give the project a relatively high ranking. This coincides with the Legislature’s philosophy of prioritizing replacement or improvement of existing buildings before adding new square footage for new programs. Other factors such as alternative funding sources, cost effectiveness, and criticality of programs may also move a project up or down the rankings.

The Utah System of Higher Education’s Qualification and Prioritization (Q&P) Process emphasizes the current space inventory by type, how much space is needed based on standards and projected enrollment, and how well the requested project fills the gap. Additional points are given for life safety and alternative funding sources. The Building Board’s evaluation guide emphasizes condition of existing assets, program growth, cost effectiveness, and criticality of programs. Both boards have objective instruments but depend on subjective scores. Neither board uses the evaluation process to replace deliberations which take into account other factors such as the current budget climate and acceptability of certain kinds of projects. However, rarely do boards deviate from the rankings provided in their evaluation systems.

The table below shows the Regents’ priorities for capital developments for FY 2007. Note the differences between the Regents’ rankings and the Building Board rankings. This is the result of two separate evaluation systems and scoring differences among board members. Although the evaluation systems may be objective, the scoring in each category can be subjective. Ultimately the rankings and recommendations are submitted to the Legislature for final evaluation.

Regent Rank	Project	Q&P Points	State Funds	Non-State Funds	Total Project Cost
1	WSU Classroom Bldg./Chiller Plant	78	\$24,650,000	\$5,000,000	\$29,650,000
2	USU Agriculture/ Classroom Replacement Building	76	\$69,542,000		\$69,542,000
3	UVSC Digital Learning Center	75	\$48,000,000		\$48,000,000
4	SLCC Digital Design & Comm. Center/ South City Campus Student Life Center	74	\$30,524,900	\$13,487,000	\$38,418,000
5	DSC Science Building Addition	67	\$8,743,000		\$8,743,000
6	CEU Fine Arts Replacement	64	\$16,254,000		\$16,254,000
7	SUU Science Center Addition	63	\$18,893,000	\$370,000	\$19,263,000
8	Snow College-County Library and Classroom Building	63	\$18,531,000	\$4,100,000	\$22,631,000
	Systemwide Request		\$235,137,900	\$22,957,000	\$252,501,000
Additional Development Priorities					
1	USU Agriculture functions relocation to expand Innovation Campus	n/a	\$5,000,000		\$5,000,000

Table 97

Higher education facilities occupy two-thirds of all state space and, despite a temporary lull in enrollment growth, usually receive the largest capital funding for new projects.

There is no “queue” for projects—each year projects are prioritized based on merit. This avoids lining up projects that may not meet changing state or institutional priorities.

The following table shows Higher Education’s top priorities since FY 2001. Projects that were funded are lined out.

Higher Education's Top Priorities by Institution FY 2001-2006							
	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
UU	Fine Arts Museum	Fine Arts Museum	Marriott Library	Marriott Library	Marriott Library	Marriott Library	USTAR
USU	Heat System Renovation	Heat System Renovation	Merrill Library	Merrill Library	Animal Sciences	Agriculture Building	Ag Bldg & Ag Reloc
WSU	Chilled Water Plant	Davis Campus	Land Purchase	Swenson Renovation	Swenson Renovation	Bldgs 1 & 2 Replace	Bldgs 1 & 2 Replace
SUU	Business Building	Teacher Education	Teacher Education	Teacher Education	Teacher Education	Teacher Educ/Old Main	Science Ctr Add
UVSC	Classroom Additions	Classroom Building	Wasatch Campus	Vineyard Purchase	Digital Learning Ctr	Digital Learning Ctr	Digital Learning Ctr
SLCC	Perimeter Road/Buildings	Auto Trades Remodel	Health Sciences	Health Sciences	Health Sciences	Millcreek Center	S. Campus Center
DSC	Fine Arts Building	Fine Arts Building	Health Sciences	Health Sciences	Health Sciences	Health Sciences	Science Bldg Add
Snow	Performing Arts	Performing Arts	Classroom Building	Classroom Building	Library/Classroom	Library/Classroom	Library/Classroom
CEU	Main Building Remodel	Main Building Remodel	Fine Arts Complex	Fine Arts Complex	SJC Library	Fine Arts Complex	Fine Arts Complex
UCAT					UBATC/USU Campus	UBATC/USU Bldg	DATC Tech Bldg
UCAT					BATC Bourns Bldg	BATC Bourns Bldg	UBATC/USU Bldg

Table 98

“OTHER”-FUNDED CAPITAL DEVELOPMENTS

Function

On [October 20, 2005](#) the State Building Board heard and determined its recommendations for all requests submitted by higher education institutions and state agencies for “other”-funded capital developments. The table below shows the results of the Building Board process. While many of the projects bring value to the state by using donations, fees, restricted funds, or federal funds, they also represent new operations costs, fuel and power costs and assets to maintain while the state’s current assets carry maintenance backlogs.

<p style="text-align: center;">Utah State Building Board Recommended FY07 Other Funds Capital Development Requests October 20, 2005</p>		
Agency/ Institution	Project	Estimated Cost
University of Utah	College of Pharmacy Building Expansion of Scope (A)	\$67,823,000
University of Utah	Red Butte Amphitheatre and Rose Garden	\$2,388,000
University of Utah	David Eccles School of Business Remodel and Addition	\$30,787,000
University of Utah	Student Recreation Center	\$35,000,000
Snow College	Traditional Building Skills Institution Building	\$3,500,000
Alcoholic Beverage Control	Holiday Store Replacement	\$4,446,000
Alcoholic Beverage Control	Kimball Junction Store Replacement	\$1,292,000
Alcoholic Beverage Control	Redwood Road Store Expansion	\$1,633,000
National Guard	Camp Williams JLTC Building #4	\$1,177,000
Dept. of Transportation	Clearfield Maintenance Station Addition	\$1,200,000
TOTALS		\$149,246,000

(A) The Pharmacy Building project was approved by the 1999 Legislature with a significantly smaller scope and cost. Due to a substantial expansion of the scope of the project and in the amount of the associated O&M request, the University is resubmitting this project for approval.

Table 99

As facilities come on line they carry an impact for routine operation and maintenance. Legislative policy requires agencies to acknowledge state funded obligations when requesting non-state funded buildings. In the past, the Legislature expressed concern that O&M funds were not considered in acceptance of non-state funded buildings. Agencies also expressed frustration that O&M funds were often not appropriated once facilities were approved.

To bridge this gap, the Legislature has adopted a policy to approve O&M funding at the same time it approves state-funded capital development projects. For other funded projects, the committee chairs of the Capital Facilities and Administrative Services subcommittee now communicate with chairs of other subcommittees that will be affected by future O&M requests. While this is not a guarantee of future funding for other funded projects, it is an attempt to use as much information as possible in accepting buildings.

CAPITAL IMPROVEMENTS LINE ITEM

Function

Capital improvements (defined above under “Statutory Authority”)—formerly known as “Alterations, Repair and Improvements” (AR&I)—are improvement projects on the state’s existing fixed capital assets. Capital improvement funds may not be used for program equipment or routine maintenance.

Capital improvements must be funded before any new capital development project can be approved. During the 2001 General Session the Legislature increased the minimum improvement funding formula from 0.9 percent to 1.1 percent of the value of all state buildings. The plan to increase funding included a transfer of existing funds within the capital budget. As revenue projections went unmet in FY 2002 and FY 2003, the Legislature amended statute to allow for more flexibility. The change allowed the Legislature to fund the program at the original 0.9 percent level during times of budget deficits.

To address the state’s maintenance backlog, the Legislature appropriated \$56,161,600 for FY 2006, which exceeded the minimum 1.1 percent requirement by \$2,529,500.

Maintenance Backlog

DFCM’s Facility Condition Assessment Program has identified \$237 million in “immediate” repair needs to buildings and infrastructure, and more than \$1.3 billion in needs over the next ten years (not including the State Capitol). Capital improvement funds help to reduce the backlog but cannot address all issues, since many facilities have significant problems that require more than the \$1,500,000 statutory cap allowed for capital improvements (for example, Weber State University’s Buildings 1 and 2). In these cases, funds must be used from the Capital Development portion of the budget. The Legislature has focused on taking care of existing needs before allocating funds to expansion. This recognizes the fact that capital improvements alone cannot alleviate the maintenance backlog and helps the state’s bond rating.

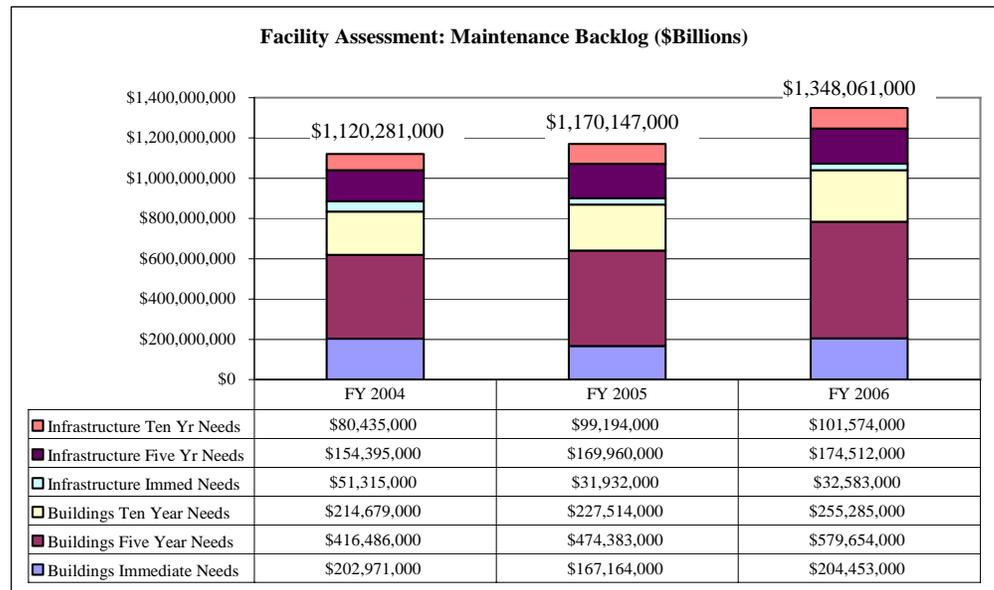


Figure 50

The reason for the large increase in FY 2006 is inflation associated with the cost of completing repairs that were not completed in FY 2005, and because the evaluators have recently completed reassessments on several buildings (all buildings are reassessed on a five-year cycle).

Funding for capital improvements will almost always climb to new highs each year due to inflation and new facilities coming on line. Utah's system of funding capital improvements based on a percentage of replacement value is a nationally recognized way of keeping pace with growing needs, though it cannot eliminate the backlog of "immediate" needs by itself. Utah is not alone in carrying large backlogs, but we address them in a timelier manner than many states due to the capital improvement program. Nearly forty percent of Utah's facilities are over twenty-five years old. Some maintenance backlogs are eliminated through renovations or replacements of older buildings. Therefore the Legislature has focused on using capital development funds to replace aging and worn space that is contributing to the existing backlog.

Capital improvements support higher education

Since more than half of the square footage owned by the state is in higher education, over half of all capital improvement funding goes to projects that benefit higher education and the Utah College of Applied Technology. In FY 2006 the Building Board approved \$31.5 million for higher education improvement projects. This is money that is rarely accounted for in considering state support of education even though students benefit directly from the program.

Intent Language

The Legislature adopted the following intent language during the 2005 General Session (H.B. 1 and H.B. 301):

It is the intent of the Legislature that \$1.0 million in Capital Improvement Funds previously allocated to Oxbow remodeling be deposited instead in the Division of Facilities Construction and Management's statewide emergency capital improvement fund.

It is the intent of the Legislature that FY 2006 appropriation increases for Capital Improvements shall not be used for improvements on Utah Department of Transportation facilities.

The latter statement was passed because the Legislature temporarily wanted Transportation funds to be used for UDOT facility improvements.

Accountability

Since FY 1994 the Legislature has maintained its commitment to funding capital improvements. Each year's funding has exceeded that of the prior year.

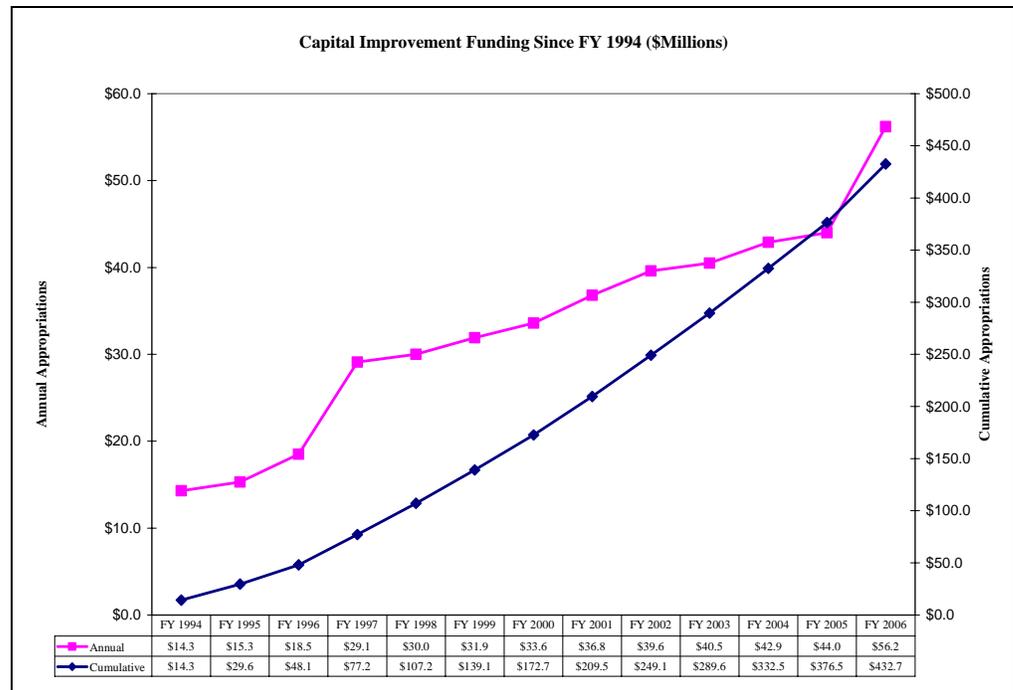


Figure 51

Efforts of the 2005 Legislature reduced the “immediate” need backlog by \$55.2 million, although the five and ten year needs increased.

Funding Detail

In FY 2004 the Legislature increased its use of income tax revenues from \$4.9 million to \$17 million in order to reflect that many capital improvement dollars are spent on educational buildings.

Budget History - Capital Budget - Capital Improvements					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	22,594,000	35,506,700	25,714,700	26,976,900	35,111,600
General Fund, One-time	0	0	(4,200,000)	0	0
Income Tax	17,000,000	4,900,000	17,000,000	17,000,000	21,050,000
Project Reserve Fund	0	100,000	0	0	0
Total	\$39,594,000	\$40,506,700	\$38,514,700	\$43,976,900	\$56,161,600
Programs					
Capital Improvements	39,594,000	40,506,700	38,514,700	43,976,900	56,161,600
Total	\$39,594,000	\$40,506,700	\$38,514,700	\$43,976,900	\$56,161,600
Categories of Expenditure					
Other Charges/Pass Thru	39,594,000	40,506,700	38,514,700	43,976,900	56,161,600
Total	\$39,594,000	\$40,506,700	\$38,514,700	\$43,976,900	\$56,161,600

Table 100

PROPERTY ACQUISITION LINE ITEM

Function This budgetary line item was established for real property acquisitions. Real property acquisitions requiring a legislative appropriation to finance the acquisition are considered capital developments.

Funding Detail During the 2005 General Session the Legislature passed Senate Bill 86 which rescinded bonding authority for purchasing the Bourns Building, and used FY 2005 one-time income tax revenues instead. The Courts – Provo Land Purchase was made with DFCM Contingency Reserve Funds.

Budget History - Capital Budget - Property Acquisition					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund, One-time	0	0	0	1,540,000	0
Income Tax, One-time	0	0	0	3,585,500	0
Federal Funds	0	0	0	1,024,300	0
GFR - Wildlife Resources Trust	0	0	0	250,000	0
Contingency Reserve Fund	0	0	0	0	225,000
Total	\$0	\$0	\$0	\$6,399,800	\$225,000
Programs					
Building/Land Purchases	0	0	0	2,814,300	0
BATC Bourns Building	0	0	0	3,585,500	0
Courts Provo Land Purchase	0	0	0	0	225,000
Total	\$0	\$0	\$0	\$6,399,800	\$225,000
Categories of Expenditure					
Other Charges/Pass Thru	0	0	0	6,399,800	225,000
Total	\$0	\$0	\$0	\$6,399,800	\$225,000

Table 101

LEASE INFORMATION**Function**

The Legislature provides flexibility to state agencies/institutions to manage their programs with leases without requiring formal legislative approval of each lease. Nevertheless, an agency's program size and ability to lease is ultimately controlled by legislative appropriations. The Legislature also requires that lease terms be economically advantageous, sufficiently flexible, and competitive in the market. In order to ensure these conditions are met, the Legislature has given oversight duties to DFCM, the Judicial Council, and the Board of Regents.

Statutory Authority**UCA 63A-5-303. Lease reporting and coordination.**

(1) The director shall:

(a) prepare a standard form upon which agencies and other state institutions and entities can report their current and proposed lease activity, including any lease renewals; and

(b) develop procedures and mechanisms within the division to:

(i) obtain and share information about each agency's real property needs; and

(ii) provide oversight and review of lessors and lessees during the term of each lease.

(2) Each agency, the Judicial Council, and the Board of Regents for each institution of higher education shall report all current and proposed lease activity on the standard form prepared by the division to:

(a) the State Building Board; and

(b) the Office of Legislative Fiscal Analyst.

Other duties and powers of DFCM

DFCM must lease, in the name of the division, all real property space to be occupied by an agency (other than Courts of Higher Education). Subject to legislative appropriation, DFCM may enter into facility leases with terms of up to ten years when the length of the lease is economically advantageous to the state, or subject to State Building Board approval and legislative appropriation, enter into longer leases.

DFCM must evaluate each lease under its control to determine whether or not the lease is cost effective, sufficiently flexible, and competitive. If evaluations show these conditions are not being met, the division should recommend viable alternatives, including such possibilities as lease/purchase and outright ownership.

Each year DFCM presents a lease report as part of the Five Year Book. The Legislature provides a flexible system of reporting that allows agencies to manage their programs with leases when appropriate by simply reporting their intention rather than gaining formal approval for each lease. Current statute requires DFCM or Judicial Council oversight for high cost leases, defined as a lease that:

(a) has an initial term including any agency optional term of ten years or more; or

(b) will require lease payments of more than \$1,000,000 over the term of the lease including any agency optional term (UCA 63A-5-301.)

This provision is not applicable to the Utah System of Higher Education which has the ability to establish its own policies:

Responsibilities of the Utah System of Higher Education

UCA 63A-5-305. Leasing by higher education institutions.

(1) The Board of Regents shall establish written policies and procedures governing leasing by higher education institutions.

(2) Each higher education institution shall comply with the procedures and requirements of the Board of Regents' policies before signing or renewing any lease.

Colleges and universities are allowed to seek lease space with Regent approval but are prohibited from coming to the Legislature to seek funds for the new leases. In meeting their statutory goal, the Regents commit to:

Review and approve institutional requests for plans to lease capital facilities space with state-appropriated funds for programs of instruction, research, or service when contracts for leasing such facilities: (1) exceed \$50,000 per year; (2) commit the institution to space rentals for a 5-year duration or beyond; or (3) lead to the establishment of regular state-supported daytime programs of instruction in leased space. An annual report of all space leased by the institutions, including space leased for off-campus continuing education programs and space leased in research parks, shall be compiled by the Commissioner's Office for review by the Board of Regents and forwarding to the State Building Board for possible inclusion in its comprehensive 5-year building plan. (Regent Policy R710-4.5.7. - Leased Space)

Responsibilities of the Courts

Before entering into a high-cost lease, the Administrative Office of the Courts must submit a draft of the new lease to the Judicial Council and DFCM. Within thirty days DFCM must review the drafts and submit a report detailing its opinion on whether the lease meets the Courts' needs, whether another option would be more cost effective, and whether the lease terms are flexible and competitive. The Judicial Council must review DFCM's report and approve all high-cost leases before the leases can be signed.

Leasing offers the state a substantial value when used appropriately. Lease space can offer low cost and flexibility while tying the cost of facilities directly to agency budgets. The tables below present data on leases held by the courts, state agencies and the USHE. A complete agency (non-USHE) list of leases is provided later in this chapter.

The most recent detailed state leasing information is available in DFCM's 2005 Five Year Program.

http://dfcm.utah.gov/documents/3pubs/2005_five_year_book.pdf

CHAPTER 26 DEBT SERVICE

Function	Debt Service is made up of interest and principal due on the state's bonded indebtedness. The state uses long-term debt to finance large capital expenditures including new construction, major remodeling and highway projects. Dedicated revenue streams such as enterprise fund revenue or dedicated lease payments secure some bonds. Debt service on revenue bonds and general obligation bonds are included in this appropriation.
Statutory Authority	<p><u>Constitutional Debt Limit:</u> Article XIV, Section 1 of the State Constitution limits the total general obligation indebtedness of the state to an amount equal to 1.5 percent of the value of the total taxable property of the state.</p> <p><u>Statutory Debt Limit:</u> UCA 63-38c-402 limits the maximum general obligation borrowing ability of the state at any given time to no more than forty five percent of the maximum allowable state budget appropriations limit set in UCA 63-38c-201. The maximum allowable budget appropriation is based on a formula that reflects changes in population and inflation. However, the Legislature has amended the statute to exempt some highway bonds from the limitation.</p> <p>UCA 63B-1-201 creates the State Bonding Commission composed of the governor, state treasurer, and a third person appointed by the governor.</p> <p>UCA 63B-1-202 requires all legislation authorizing the State Bonding Commission to issue bonds to contain an estimate of the annual amount of funds necessary for operation and maintenance of each project.</p> <p>UCA 63B-1-304 creates the State Building Ownership Authority composed of the governor, state treasurer, and the chair of the State Building Board. The authority may, among other things, borrow money and issue obligations (including refunding obligations), pledge revenues from any facility to secure the payment of obligations relating to that facility, cause to be executed mortgages, trust deeds, and other documents, own, lease, operate and encumber facilities, and rent or lease any facility to any state body. However, any obligations issued by the authority may not constitute general obligation debt of the state and must be legislatively authorized.</p> <p>UCA 63B-1-307 requires the State Building Ownership Authority to lease space back to the agency for which obligations were issued, and rent amounts must be sufficient to pay off the principal and interest as they come due.</p> <p>UCA 63B-1a, known as the "Master General Obligation Bond Act," authorizes the State Bonding Commission to issue bonds only if the Legislature has affirmatively authorized the issuance of the bonds, the capital projects to be funded, and the maximum amount of the bonds.</p> <p>Article XIII Section 5(3) of the State Constitution requires a tax levy (property tax was the sole form of taxation available when the Constitution was written) to pay off general obligation bonds within 20 years. UCA 63B-1a-101(4) requires the State Bonding Commission to comply with any maturity dates set</p>

by the Legislature. Absent any maturity dates set by the Legislature, statute requires maturity dates not later than 15 years.

UCA 63B-1a-301 requires that a sinking fund be created to pay debt service on general obligation bonds. The State Treasurer administers the fund and deposits monies into the fund as necessary to pay debt service. Any bond monies remaining after a project is completed are to be deposited in the sinking fund.

UCA 63B-1a-303 levies a direct property tax each year after bonds are issued until they are paid off, sufficient to pay principal, interest, and premiums on each bond. However, subparagraph (5) abates the tax to the extent money is available from other sources.

UCA 63B-1a-601 allows the State Bonding Commission to issue bond anticipation notes that represent a general obligation of the state. Notes are payable from proceeds of the sale of bonds and/or other monies of the state.

Funding Detail

FY 2006 appropriations for overall debt service dropped compared to FY 2005 largely because the University of Utah paid off its SLOC/student housing project (revenue bonds) in FY 2005. Utah’s overall debt service payments for general obligation bonds have leveled off at approximately \$210 million per year, with declining payments for buildings and increasing payments for highways. See figures on the following pages for more information.

Budget History - Debt Service					
	2002	2003	2004	2005	2006
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	38,084,800	54,833,700	56,833,700	61,721,600	57,181,700
General Fund, One-time	0	0	1,530,600	0	2,698,000
Uniform School Fund	24,670,600	11,466,700	17,164,300	17,164,300	17,164,300
Uniform School Fund, One-time	0	0	0	1,682,400	0
Centennial Highway Fund	82,657,500	84,618,200	97,724,900	125,371,200	126,393,400
Centennial Highway Fund, One-time	0	0	1,796,800	0	0
Dedicated Credits Revenue	33,909,700	26,227,500	27,714,100	58,508,100	33,891,200
TFR - Public Transp. System Tax	0	0	2,220,700	2,190,300	7,204,400
Transfers	6,638,700	4,997,000	3,812,100	6,834,600	0
Beginning Nonlapsing	12,109,400	22,882,100	16,004,400	12,841,000	9,141,000
Closing Nonlapsing	(22,882,100)	(16,004,400)	(12,841,000)	(12,635,900)	(7,054,600)
Total	\$175,188,600	\$189,020,800	\$211,960,600	\$273,677,600	\$246,619,400
Categories of Expenditure					
Current Expense	175,188,600	189,020,800	211,960,600	273,677,600	246,619,400
Total	\$175,188,600	\$189,020,800	\$211,960,600	\$273,677,600	\$246,619,400

Table 102

FURTHER INFORMATION

Constitutional debt limit The state’s constitutional debt limit caps total general obligation debt at 1.5 percent of the value of the state’s taxable property. The following table shows the state’s position as of June 30, 2005.

Constitutional Debt Limits				
	FY 2002	FY 2003	FY 2004	FY 2005
Fair Market Value	\$163,185,740,000	\$170,775,938,000	\$176,540,976,000	\$185,620,197,200
Constitutional Debt Limit	\$2,447,786,000	\$2,561,639,000	\$2,648,115,000	\$2,784,303,000
Outstanding Constitutional GO Debt	(\$1,498,371,000)	(\$1,713,755,000)	(\$1,588,810,000)	(\$1,587,804,000)
Additional Bonding Capacity	\$949,415,000	\$847,884,000	\$1,059,305,000	\$1,196,499,000

Table 103

Statutory debt limit The state’s statutory debt limit further limits general obligation debt to 45 percent of the allowable appropriations limit unless approved by more than two-thirds of the Legislature. However, statute excludes most highway bonds from being subject to the statutory debt limitation.

Statutory Debt Limits				
	FY 2002	FY 2003	FY 2004	FY 2005
Appropriations Limitation	\$4,176,703,000	\$4,150,684,000	\$1,856,205,000	\$1,956,584,000
Statutory Debt Limit	\$835,341,000	\$830,137,000	\$835,292,000	\$880,462,800
Outstanding Constitutional GO Debt	(\$1,498,371,000)	(\$1,713,755,000)	(\$1,588,810,000)	(\$1,587,804,000)
Exempt Transportation Bonds	\$1,004,004,000	\$1,020,049,000	\$980,811,000	\$957,092,800
Net Outstanding Debt	(\$494,367,000)	(\$693,706,000)	(\$607,999,000)	(\$630,711,200)
Additional Bonding Capacity	\$340,974,000	\$136,431,000	\$227,293,000	\$249,751,600

Table 104

During the 2004 General Session, the Legislature changed the formula for calculating the appropriations and debt limitations. House Bill 66 excluded the Uniform School Fund and Transportation Fund from the appropriations limitation formula, and changed the debt limitation from 20 percent to 45 percent of the appropriations limitation.

Bonding is one of the tools used by the Legislature to finance new facilities. The state incurs several advantages and disadvantages by issuing general obligation bonds:

Advantages:

- Since the state pledges its full taxing power and its full faith and credit, in addition to having an excellent credit rating, general obligation bond issues are considered to be secure investments. This fact makes general obligation bond offerings attractive both to underwriters and other investors while interest rates are lower than other bond types.
- When interest rates are low, bonding allows the state to pay back present value with future dollars. Long-term bonds may offer value in excess of present value.

- General obligation bonding allows non-revenue producing projects to be financed over long periods of time.
- Projects funded through the sale of these bonds generally benefit the entire community for long periods of time.
- The outstanding debt is retired over the life of the asset by residents who benefit from the asset.
- Revenue in the sinking fund may be invested and used to retire the debt prior to final maturity.

Disadvantages:

- If a state issues long-term bonds every year it may ultimately find that debt service will become a driving force for all budget decisions.
- Bonds are expensive to analyze, underwrite, and place on the market.
- The interest portion of debt service payments would be better used on state projects than paying off indebtedness.
- All residents are taxed to pay off the bonds although some of them may not directly use the asset. However, paying with cash offers the same disadvantage. Revenue bonds only impact users of the asset.
- Though chances of default are small, general obligation bonding may result in additional tax increases if necessary to pay off the bonds.

The state typically offers bonds with a fifteen year amortization schedule. In recent years the state issued general obligation bonds for facilities that mature in six years. The following table shows how the state’s debt service payments have been increasing since FY 1999. Note that debt service payments for state-funded buildings have declined and leveled off while payments for highways are increasing. Revenue bond payments were high in FY 2005 because the University of Utah paid off its SLOC/student housing project.

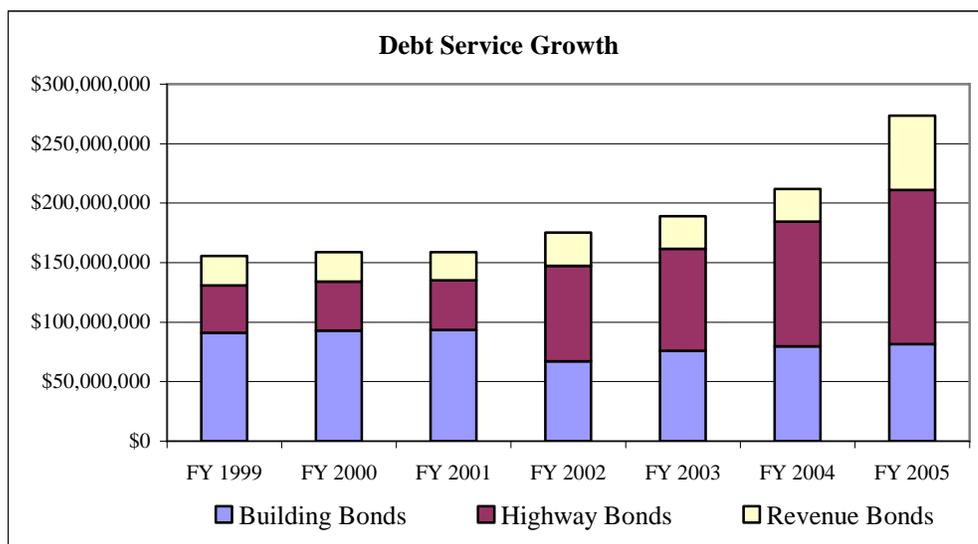


Figure 52

Over the past seven years the bulk of debt service shifted from buildings to transportation.

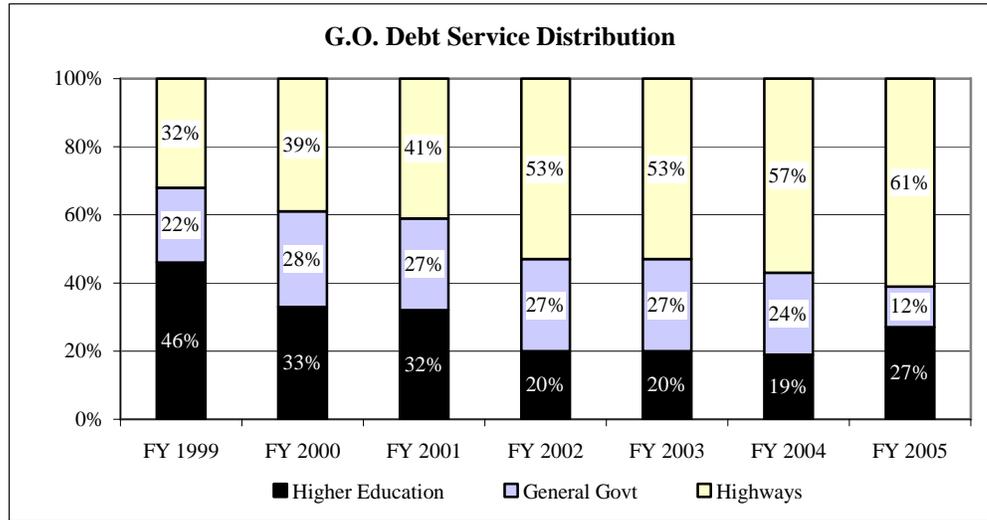


Figure 53

The following table illustrates the state’s current general obligation debt service schedule:

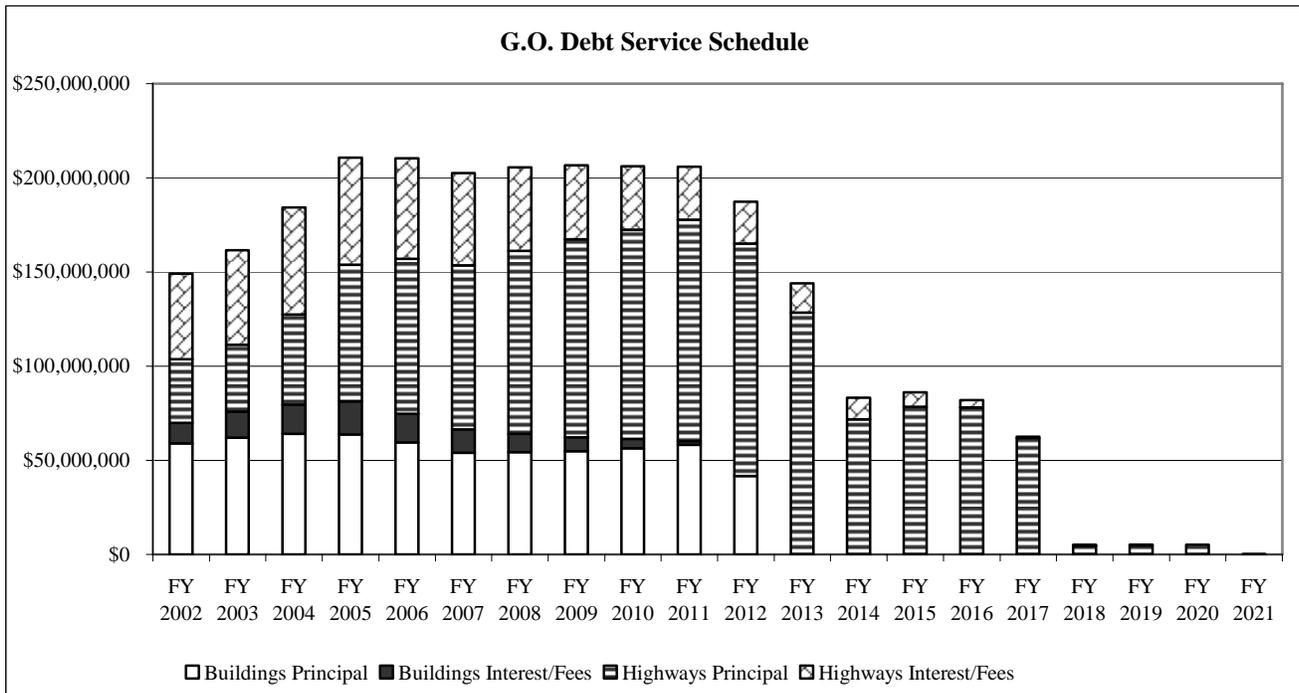


Figure 54

Utah has long been known as a very conservative state when it comes to bonding, but debt service as a percentage of General Fund expenditures increased to 6.8 percent in FY 2005. However, these percentages should decline in the future as a result of reduced bonding and likely growth in General Fund expenditures.

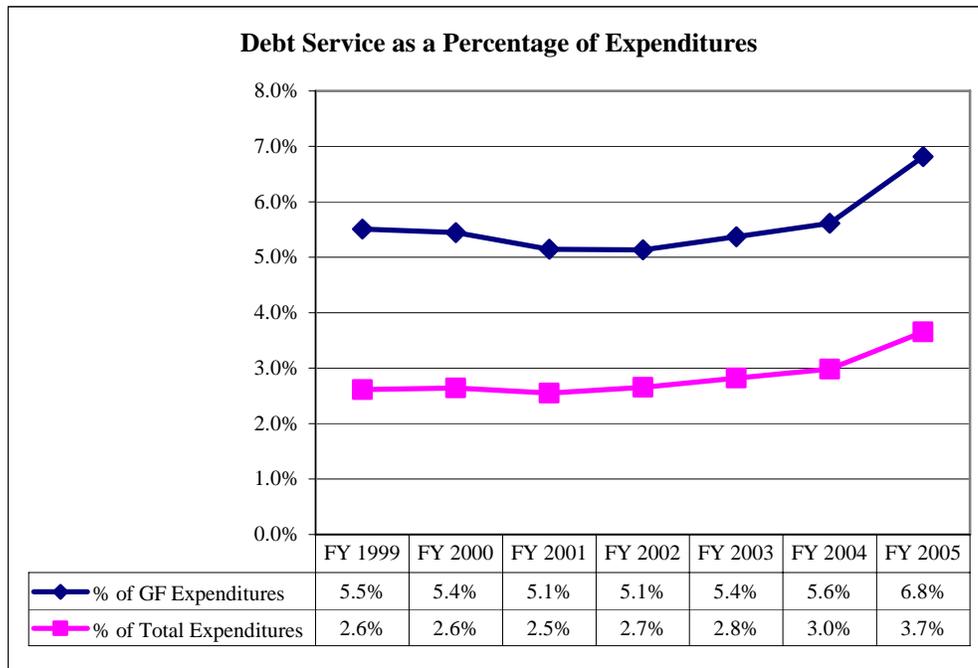


Figure 55

Population growth creates a large impact on state governments, so any analysis of budget increases should be matched against population growth. Utah’s growth is primarily internal, meaning that the state must provide infrastructure for an expanding population while a younger portion of that population is not yet contributing to the tax base. Even considering the state’s growth, Utah finds itself in unprecedented territory in relation to outstanding debt. The state’s population has grown by approximately 24 percent since FY 1996; the state’s per capita general obligation debt has grown by over 200 percent (tripled) in the same amount of time. However, since FY 2003 per capita general obligation debt has declined slightly each year. As the following chart shows, most of the per capita debt growth since FY 1996 is due to the I-15 reconstruction project.

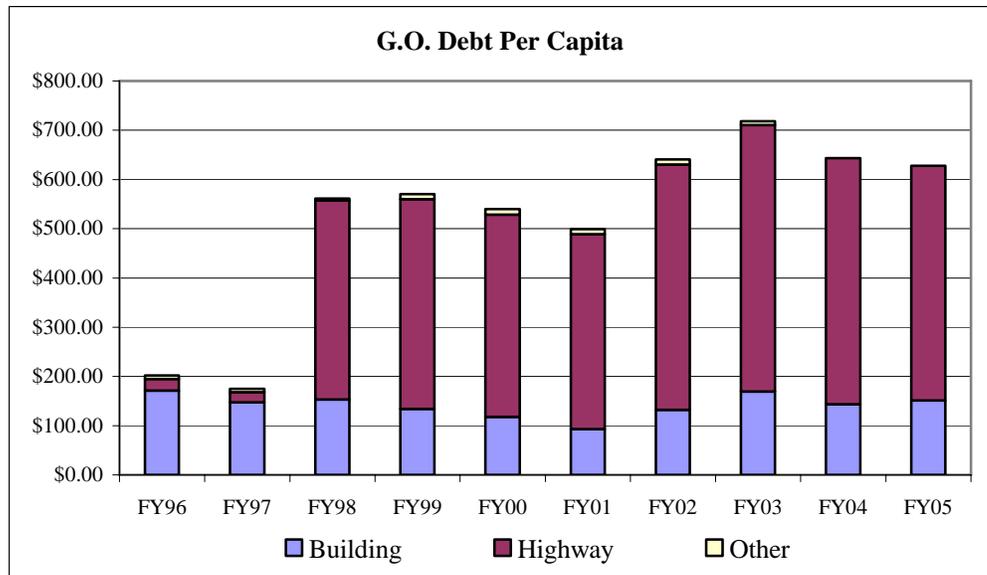


Figure 56

“Pay As You Go” provides increased economic benefit and flexibility

When bonds are issued annually, at some point a significant amount of money is being spent for interest rather than construction. This is a dual drain on resources. Although cash funding for capital projects carries some opportunity cost, the Analyst believes it is better to put money into economically beneficial construction rather than interest payments. Clearly, this cannot be done all the time. Unique and significant projects such as the I-15 reconstruction project or the restoration of the State Capitol are projects that would be difficult to fund entirely with cash.

In the 2005 General Session the Legislature authorized only \$4.5 million in new general obligation bonds, placed almost \$38 million in ongoing funds in the Capital Developments base budget, and used one-time dollars to fund the rest of its capital development projects. This was a significant step toward returning to a “Pay as You Go” (PAYGo) plan. The Legislature initiated a PAYGo plan in 2000, but had to use it as a source of funding for state government during the economic downturn. In the 2003 and 2004 General Sessions the Legislature limited cash appropriations to capital improvement funding, while committing to new facility bonds at the amount of principal retired in the previous fiscal year. Such a plan kept debt service stable, but did not reduce debt or return to PAYGo. Future sources of ongoing and one-time funds may be applied to the capital budget to strengthen the PAYGo plan.

Utah is one of six states with highest bond rating

National rating agencies such as Moody’s Investor Service, Fitch Ratings, or Standard and Poor’s provide ratings of the credit-worthiness of all states. At this time only **six** states merit an “AAA” rating from all three agencies (Delaware, Georgia, Maryland, Missouri, Utah, and Virginia). Ratings are complex and the impact of some factors over others is not easily predicted. Some of the data investor services analyze include:

- Structural gap between ongoing tax revenues and ongoing spending

- Planning
- Economic (industrial) conditions
- Reserve fund balances and use of reserves to balance budgets
- Flexibility in finances
- Debt burden
- Infrastructure maintenance
- Management policies and stability

Utah maintains an “AAA” rating in large part because of the commitment to good management shown by both the Executive and Legislative Branches. Utah’s stable economy with a young and growing population provides a ready and future source of labor and a growing tax base. Utah also maintains a diverse revenue collection system and takes the issue of structural balance seriously (matching ongoing revenue to ongoing expenses). While debt levels are at all-time highs, the debt is tied to fixed assets rather than operating costs. Repayment plans are aggressive and workable – rating agencies believe that Utah can and will maintain its ability to pay.

Inter-branch cooperation and management are among the strongest factors in Utah’s “AAA” rating. In the Executive Branch, the Division of Finance follows Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) accounting practices. The timely publication of the Comprehensive Annual Financial Report (CAFR) assures rating agencies that oversight systems are in place. In the Legislative Branch, the commitment to limited indebtedness, restoration of aging facilities and the ability to present a balanced budget on time are key factors to planning.

Rating agencies seem to focus more on planning than anything else. They do not expect rainy day funds to be restored overnight, but they expect states to have a workable plan to prepare for the next downturn. Agencies want to see development plans such as the DFCM Five Year Program for buildings or the Centennial Highway Plan for roads. Ratings are based on a state’s ability to manage. So long as the state’s tax base is solid, its economy sound, and state managers (both elected officials and professional staff) are committed to fiscal discipline then Utah should maintain an “AAA” rating.

Planning and management are keys to AAA rating

Although no single policy or decision (within the realm of reason) will change the strength of Utah’s rating, the Analyst does note that several bond-rating factors should be considered in preparing the [FY 2007](#) budget.

Structural Balance: In a report presented to Executive Appropriations Committee in 2003, the Analyst noted the state could balance “ongoing appropriations with ongoing revenue at the close of each appropriations session. Such balancing could be accomplished by providing one-time rather than ongoing appropriations for discrete projects such as capital investment, all the while analyzing the impact of such action on long-term needs.”

Planning: The state's Five Year Building Plan and Centennial Highway Plan are examples of taking a long-term view of future needs. The Legislature must also maintain a plan for debt service – any funding plan that omits a reasonable plan for repayment of debt obligations is likely to be viewed negatively by rating agencies. Continued commitment to restoring rainy day funds over time will also strengthen the state's credit rating.

Balancing Growth vs. Infrastructure: Utah will spend [over \\$56 million in FY 2006 and more in FY 2007](#) to repair and upgrade state facilities. Over the past five years the Legislature also devoted funds to replacing large facilities that no longer were safe or able to function properly. This focus on preventing an infrastructure crisis is a plus with rating agencies, but that does not obviate the need to provide facilities for the needs of a growing population, such as on college campuses.

*Capital facility
financing*

The State employs several methods of financing to meet state needs.

General Obligation Bonds – General obligation debt is secured by the full faith and credit of the State and its ability to tax its citizens. General obligation debt is counted against the state's constitutional and statutory debt limits (certain highway bonds are exempt from the statutory limit). In recent years the State of Utah issued general obligation bonds for facilities that mature in six years. Other states and government entities typically issue general obligation bonds with terms of 10 to 20 years. Debt service interest begins to accrue when the bonds are issued.

Revenue Bonds - The State Building Ownership Authority (SBOA), the official owner of state facilities, issues revenue bonds. This type of bond may be issued when a revenue stream can be identified and legally restricted for repayment of the bonds. The only state facilities which have been financed using pure revenue bonds have been higher education facilities where the revenues pledged have included student fees, auxiliary services revenues, or reimbursable overhead. In order for the bonds to be marketable, the pledged revenue stream must be substantially larger than the debt service requirements. This type of debt is exempted from calculations of the state's constitutional and statutory debt limits because it is neither secured by the full faith and credit of the state nor its taxing power.

Lease Revenue Bonds - The occupying agency pays rent to the SBOA which is used to pay debt service. A pledge of future rental payments (subject to legislative appropriation) and a mortgage on the financed project secure debt.

Since neither the full faith and credit of the state nor its taxing power secure lease revenue bonds, they are not counted against debt limits. However, UCA 63B-1-306 states the debt issued by the SBOA plus other debt issued by the state (less [\\$957 million](#) in highway debt) cannot exceed 1.5 percent of the value of the state's taxable property. A statutory change would be required for SBOA bonds if general obligation bonds were authorized up to the constitutional limit. Unlike general obligation bonds, revenue bonds are typically issued with a repayment period of 20 years. An additional amount is borrowed to cover interest payments during construction.

Certificates of Participation (COP) - COPs are very similar to lease revenue bonds with one major difference – instead of being a bond issued directly by a governmental entity, COPs represent an undivided interest in a lease agreement. This lease agreement may be entered into by any entity that has the ability to lease space. Although either the state or a private entity may initially hold title to the facility, title must pass to the state by the end of the lease term in order for the interest on the COP to be exempt from federal income tax.

Summary - All of the above are accounted for as debt on the state's financial statements and are considered to be debt by national rating agencies. In addition, the State Auditor issued an opinion in December of 1995 that any General Fund, Uniform School Fund, or Transportation Fund used to retire lease purchase and revenue bond obligations should be counted in the spending limitation formula.

Relative costs

The total cost associated with various options for financing projects are listed below, ranked from least expensive to most expensive. Specific projects may have circumstances that would affect this ranking. The order for revenue bonds and certificates of participation depends on the nature of the project and the source of funding for the debt service.

1. Cash (state funds)
2. General Obligation Bonds
3. Lease Revenue Bonds
4. Revenue Bonds
5. Certificates of Participation
6. Leasing (long-term)

The true cost of bond financing may be much less than commonly assumed because most of the state's payments to investors are made in future years using dollars that may be cheaper due to inflation. However, savings from inflated dollars are difficult to achieve with short-term bonds. The Analyst believes that the difference between interest costs and inflation savings should be considered when the state issues general obligation debt.

The relative cost of different types and terms of debt fluctuates with the financial market. As a general rule, a twenty year general obligation bond carries an interest cost which is about two-thirds of one percentage point higher than a six year general obligation bond. A twenty year lease revenue bond carries an interest cost which is about one-third of one percentage point higher than a twenty year general obligation bond. Interest rates for certificates of participation are generally higher than lease revenue bonds. By far the largest costs occur when the state enters into a long-term lease instead of purchasing a building that an agency will need for fifteen or twenty years.

Suggested policy issues

During the 1996 General Session, the Legislature adopted general guidelines for issuing state debt. The Analyst recommends the adoption of those guidelines again for the 2006 General Session.

General Obligation Bonds should be the preferred method for critical facilities whose costs exceed the availability of current funding. It is assumed that the need for the facility has received full analysis for justification. Short-term bonds (6 to 10 years) should be used when a facility has no present funding base to service debt and when the facility fulfills a critical need that cannot be funded within the base budget for capital facilities. Long-term bonds should be used (15 to 20 years) when there are current facility occupancy costs within the agency base budget that could be used to assist the funding of debt service.

Current market conditions should also be considered when bonding is discussed. For example, if current rates are lower than what the State Treasurer is earning on the Public Treasurer's Investment Fund, it may be a favorable time to bond. This is especially true with short-term bonds that will not recover interest costs through inflation.

Revenue Bonds should be considered when a dedicated source of revenue is available to cover underwriting requirements. Generally, a coverage ratio is required that is in excess of actual debt service. Examples would include higher education facilities such as dormitories and parking lots where the funding source for debt service is derived from rents or fees.

Lease Revenue Bonds or *Certificates of Participation* should be used if the Legislature is willing to fund a lease for a long-term facility. This type of funding could be considered when an agency has an outside source of revenue in addition to any existing costs in the budget base. An example would be the State Library where federal funds are available as lease costs but federal regulation may not allow the funds to be used for debt retirement. Of course, it would be wiser still to issue a long-term general obligation bond instead and shift the operating funds to debt service. Caution should be exercised by the Legislature to avoid excessive lease purchase obligations since they are treated like debt once funds have been committed. If funds were not appropriated in a given year the state would enter into a default position. Lease revenue bonds should be issued with a repayment period not to exceed twenty years.

Leasing provides the least expensive option for space only when short-term needs are an issue. Some programs are temporary in nature or provide a function that needs to be able to change locations frequently. The Analyst recommends that the Division of Facilities Construction and Management (DFCM) continue to provide funding alternatives for the Legislature when agency high-cost leases are requested. High-cost leases are defined in statute as real property leases that have an initial term of ten years or more or will require lease payments of more than \$1 million over the term of the lease, including any renewal options.

GLOSSARY

Finance categories used by the state are:

<i>General Fund</i>	This is one of the state's most important sources of income. The primary revenue source is the sales tax, although there are other taxes and fees which are deposited into this fund. General Funds may be spent at the discretion of the Legislature, as the Constitution allows. Personal income taxes and corporate franchise taxes are not deposited into the General Fund, but into the Uniform School Fund.
<i>School Funds</i>	This is another of the state's most important sources of income. Revenues come primarily from personal income taxes and corporate franchise taxes. Funds are constitutionally restricted to public and higher education. In the Capital Facilities subcommittee, these funds are used for debt service and capital improvements (alteration, repair and improvements).
<i>Transportation Funds</i>	Transportation funds are derived primarily from the gas tax and are constitutionally restricted to road and highway related issues. In the Capital Facilities subcommittee, these funds are used for debt service on highway bonds, especially for Centennial Highway Fund projects.
<i>Federal Funds</i>	Federal agencies often make funds available to the state for programs that are consistent with the needs and goals of the state and its citizens and are not prohibited by law. Generally, federal funds are accompanied by certain requirements. A common requirement is some form of state match in order to receive the federal dollars. The Legislature must review and approve most large federal grants before state agencies may receive and expend them.
<i>Dedicated Credits</i>	Dedicated Credits are funds that are paid to an agency for specific services and are dedicated to financing that service. For example, fees collected by an internal service fund agency from another state agency are dedicated credits. By law, these funds must be spent before other appropriated state funds are spent. An agency must estimate the level of its service for the following fiscal year, and thus its level of dedicated credits.
<i>Restricted Funds</i>	Restricted funds are statutorily restricted to designated purposes. The restricted funds usually receive money from specific sources, with the understanding that those funds will then be used for related purposes.
<i>Lapsing/Nonlapsing</i>	Several other small funds are used by certain agencies. These will be discussed in further detail as the budgets are presented. Lapsing funds, however, should be addressed. Funds lapse, or revert back to the state, if the full appropriation is not spent by the end of the fiscal year. Since it is against the law to spend more than the Legislature has appropriated, all programs will either spend all the money or have some left over. The funds left over lapse to the state, unless specifically exempted. Those exceptions include funds that are setup as nonlapsing in their enabling legislation, or appropriations designated nonlapsing by annual intent language per UCA 63-38-8.1. In these cases, left over funds do not lapse back to the state, but remain with the agency in a special nonlapsing balance, for use in the next fiscal year. In the

budgets, the Beginning Nonlapsing balance is the balance on July 1, while the balance on the next June 30 is termed the Closing Nonlapsing balance. The Closing Nonlapsing balance from one fiscal year becomes the Beginning Nonlapsing balance of the following fiscal year. The reasoning behind nonlapsing funds is that a specific task may take an indeterminate amount of time, or span more than one fiscal year. By allowing departments to keep their unexpended funds, the state not only eliminates the rush to spend money at the end of a fiscal year, but also encourages managers to save money.

Expenditure categories used by the state are:

<i>Personal Services</i>	Includes employee compensation and benefits such as health insurance, retirement, and employer taxes.
<i>Current Expenses</i>	Includes general expenses such as utilities, subscriptions, communications, postage, professional and technical services, maintenance, laundry, office supplies, small tools, etc. that cost less than \$5,000 or are consumed in less than one year.
<i>Data Processing Current Expense</i>	Includes items such as small computer hardware and software, port charges, programming, training, supplies, etc.
<i>Capital Outlays</i>	Includes items that cost over \$5,000 and have a useful life greater than one year.
<i>Pass Through</i>	Includes funds passed on to other non-state entities for use by those entities, such as grants to local governments.

Other budgeting terms and concepts that the Legislature will encounter include the following:

<i>Performance Measures</i>	<p>In recent years, performance based budgeting has received more attention as citizens and decision-makers demand evidence of improved results from the use of tax dollars.</p> <p>Care must be exercised in crafting performance measures to avoid misdirected results. Moving to performance based budgeting is a long term commitment. The Analyst has drafted some ideas for performance measures in the write-up, however, it is recognized that the measures are a work in progress and that long-term tracking of measures would require a statewide commitment in both the executive and legislative branches.</p>
<i>Intent Language</i>	Intent language may be added to an appropriation bill to explain or put conditions on the use of the funds in the line item. Intent language may restrict usage, require reporting, or impose other conditions within the item of appropriation. However, intent language cannot contradict or change statutory language.
<i>Supplemental Appropriation</i>	The current legislative session is determining appropriations for the following fiscal year. However, it may be determined that unexpected circumstances have arisen which require additional funding for the current year. The appropriations subcommittee can recommend to the Executive Appropriations

Committee that a supplemental appropriation be made for the current fiscal year.

FTE

An abbreviation for Full Time Equivalent, this is a method of standardizing personnel counts. A full time equivalent is equal to one employee working 40 hours per week. Four employees each working ten hours per week would also count as 1 FTE.

Line Item

This is a term that applies to an appropriation bill. A line number in the appropriations bill identifies each appropriated sum. Generally, each line item may contain several programs. Once the appropriation becomes law, the money may be moved from program to program within the line item, but cannot be moved to another line item of appropriation.

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