



Budget Brief: DAS Appropriated Budgets Summary

CAPITAL FACILITIES AND GOVERNMENT OPERATIONS

FY 2010

SUMMARY

The Legislature controls the size and scope of appropriated agencies (such as DAS) through the budget. By law, agencies cannot spend more than they are appropriated and cannot move funds across line items, however they may spend up to 125% of their Dedicated Credits appropriation. Full Time Equivalent (FTE) employees are not appropriated but are provided for information purposes.

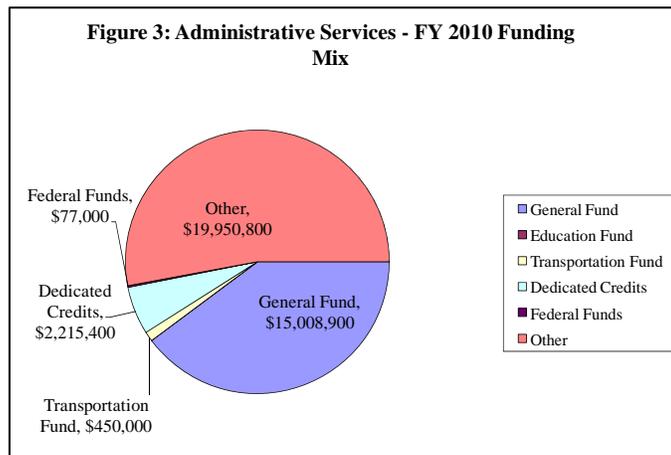
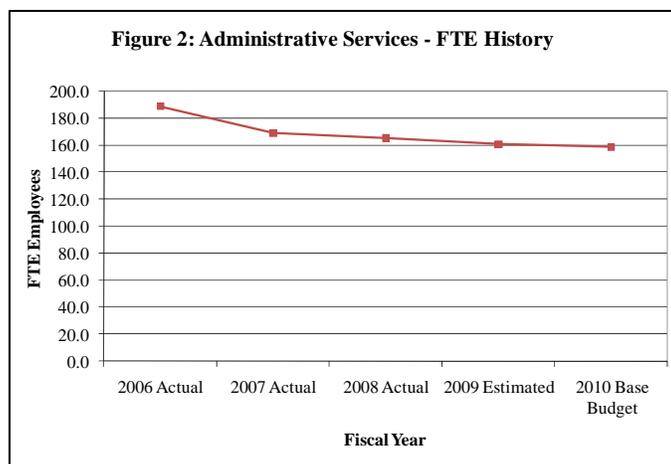
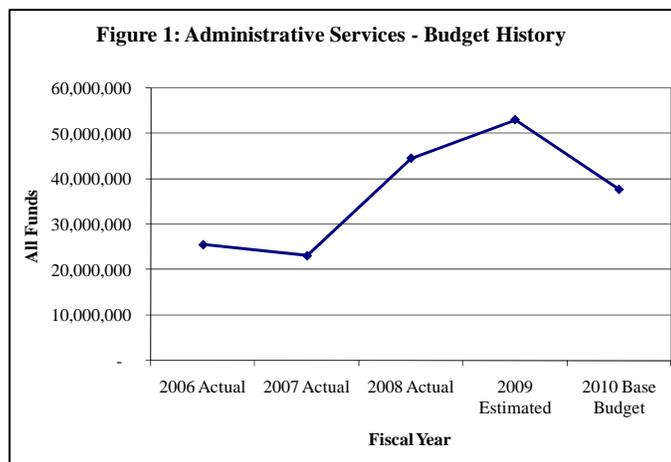
The Department of Administrative Services was created in 1981 by the Utah Administrative Services Act. Current statute (UCA 63A) sets seven purposes for the department:

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 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 state agency needs
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 used properly.

DAS Appropriated Budget Line Items

Appropriated budget line items in the Department of Administrative Service include:

- Executive Director’s Office
- Division of Administrative Rules
- Division of Facilities Construction and Management (DFCM) – Administration
- Division of State Archives
- Division of Finance – Administration
- Division of Finance – Mandated Expenditures
- Post Conviction Indigent Defense
- Judicial Conduct Commission
- Division of Purchasing



ISSUES AND RECOMMENDATIONS

More detail can be found in the Budget Brief for each respective line item, along with more in-depth discussion of issues.

BUDGET DETAIL TABLE

Administrative Services						
Sources of Finance	FY 2008	FY 2009		FY 2009		FY 2010*
	Actual	Appropriated	Changes	Revised	Changes	Base Budget
General Fund	15,649,400	16,345,900	(1,337,000)	15,008,900	0	15,008,900
General Fund, One-time	3,800,000	(655,800)	411,900	(243,900)	243,900	0
Transportation Fund	450,000	450,000	0	450,000	0	450,000
Federal Funds	83,100	64,000	13,000	77,000	0	77,000
Dedicated Credits Revenue	2,699,400	2,457,000	(235,100)	2,221,900	(6,500)	2,215,400
GFR - Economic Incentive Restricted A	5,928,000	15,480,000	0	15,480,000	(13,952,000)	1,528,000
GFR - ISF Overhead	1,299,600	1,299,600	0	1,299,600	0	1,299,600
GFR - Land Exchange Distribution Acc	18,760,000	14,400,000	0	14,400,000	0	14,400,000
Risk Management ISF	0	1,000,000	(1,000,000)	0	0	0
State Debt Collection Fund	0	267,000	(267,000)	0	0	0
Capital Projects Fund	1,876,000	1,945,200	0	1,945,200	0	1,945,200
Project Reserve Fund	200,000	200,000	0	200,000	0	200,000
Contingency Reserve Fund	82,300	1,082,300	0	1,082,300	(1,000,000)	82,300
Beginning Nonlapsing	4,723,000	2,506,800	(517,100)	1,989,700	(1,118,300)	871,400
Beginning Nonlapsing - Retirement	101,500	0	0	0	0	0
Closing Nonlapsing	(6,022,700)	(381,000)	(490,400)	(871,400)	495,700	(375,700)
Lapsing Balance	(5,061,100)	0	0	0	0	0
Total	\$44,568,500	\$56,461,000	(\$3,421,700)	\$53,039,300	(\$15,337,200)	\$37,702,100
Line Items						
Executive Director	810,500	968,200	15,900	984,100	(126,000)	858,100
Administrative Rules	492,200	397,900	3,700	401,600	(16,200)	385,400
DFCM Administration	6,539,900	5,903,800	(478,700)	5,425,100	(346,300)	5,078,800
State Archives	2,958,600	2,733,800	(236,700)	2,497,100	(44,900)	2,452,200
Finance Administration	9,624,200	11,900,500	(570,900)	11,329,600	(746,100)	10,583,500
Post Conviction Indigent Defense	7,500	122,500	(52,100)	70,400	0	70,400
Finance - Mandated	22,185,000	32,362,600	(2,036,200)	30,326,400	(13,988,200)	16,338,200
Judicial Conduct Commission	216,400	256,400	(9,600)	246,800	0	246,800
Purchasing	1,734,200	1,815,300	(57,100)	1,758,200	(69,500)	1,688,700
Total	\$44,568,500	\$56,461,000	(\$3,421,700)	\$53,039,300	(\$15,337,200)	\$37,702,100
Categories of Expenditure						
Personal Services	12,783,900	14,499,600	(868,000)	13,631,600	(441,500)	13,190,100
In-State Travel	215,100	149,900	62,200	212,100	(14,500)	197,600
Out of State Travel	58,100	64,400	(8,500)	55,900	(5,300)	50,600
Current Expense	2,536,000	2,526,700	(149,300)	2,377,400	(10,700)	2,366,700
DP Current Expense	4,806,600	5,070,800	24,600	5,095,400	(266,500)	4,828,900
DP Capital Outlay	336,600	1,616,600	(368,100)	1,248,500	(568,500)	680,000
Capital Outlay	103,300	42,000	0	42,000	(42,000)	0
Other Charges/Pass Thru	23,728,900	32,491,000	(2,114,600)	30,376,400	(13,988,200)	16,388,200
Total	\$44,568,500	\$56,461,000	(\$3,421,700)	\$53,039,300	(\$15,337,200)	\$37,702,100
Other Data						
Budgeted FTE	165.5	171.0	(10.3)	160.8	(2.0)	158.8
Actual FTE	159.4	0.0	0.0	0.0	0.0	0.0
Vehicles	9.0	8.0	4.0	12.0	0.0	12.0

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

Budget Brief: DAS Executive Director's Office

CAPITAL FACILITIES AND GOVERNMENT OPERATIONS

FY 2010

SUMMARY

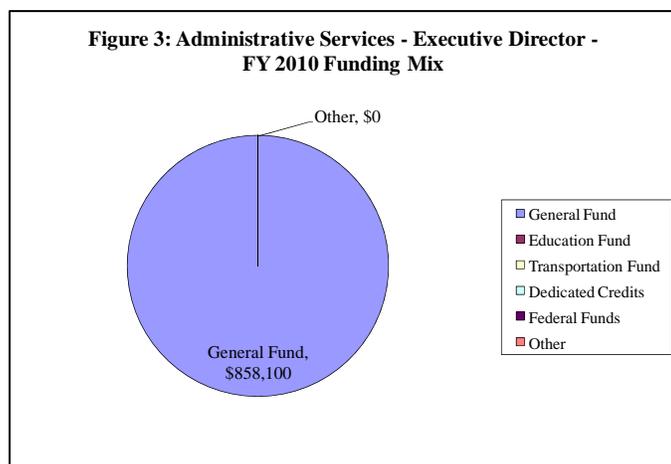
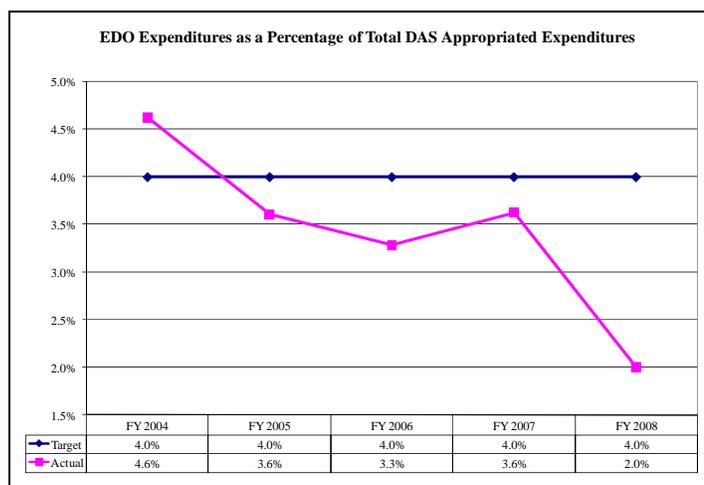
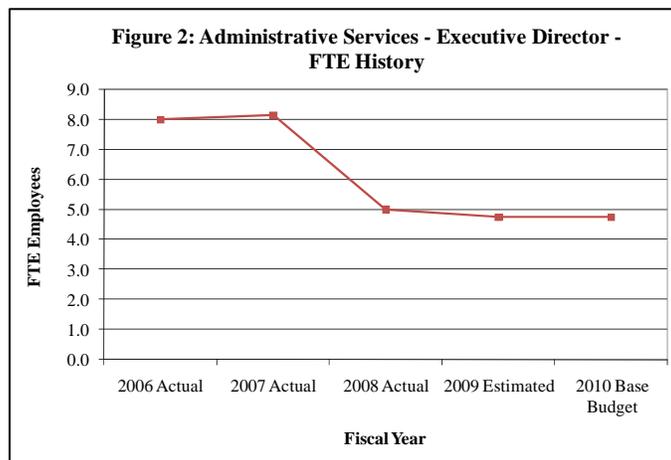
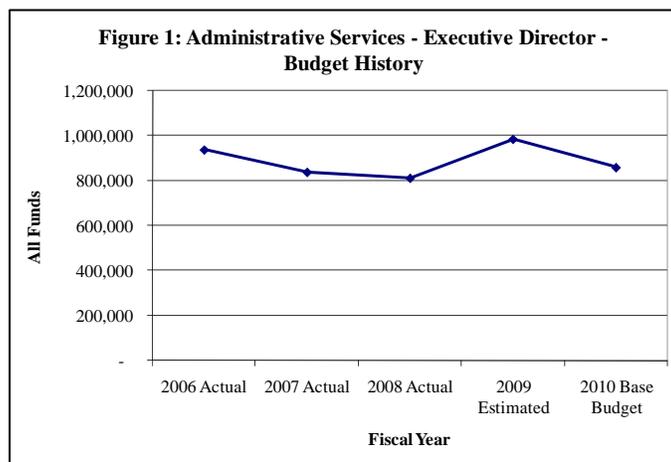
The Executive Director's Office (EDO) provides financial management, strategic planning, organizational development, internal auditing, and public relations for the Department of Administrative Services. While the client base for most state agencies is taxpayers, the primary customers for the Department of Administrative Services are other state agencies.

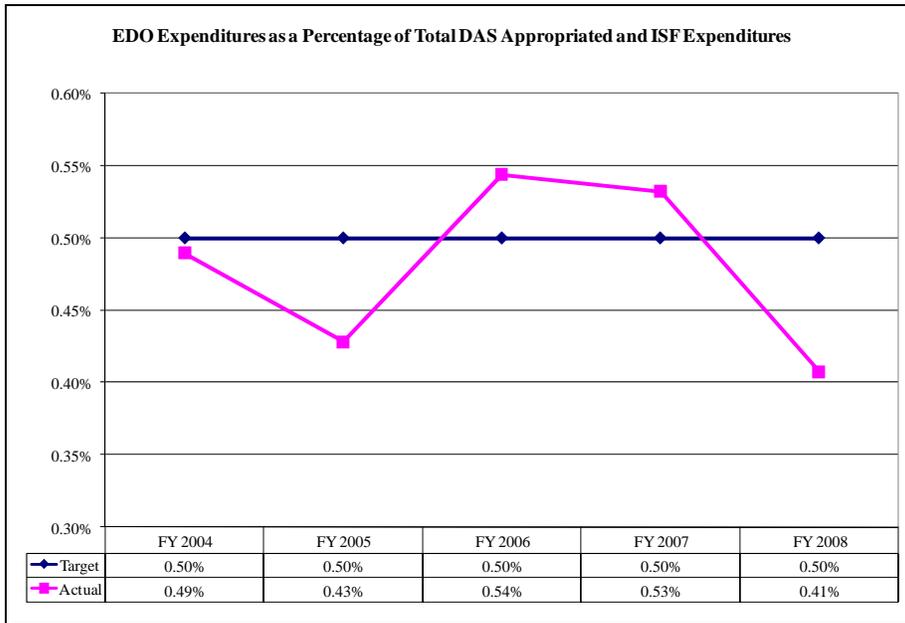
The Director helps coordinate inter-agency cooperation on issues such as fleet consolidation, archival procedures and purchasing guidelines.

During the 2005 General Session the Legislature opted to outsource the Office of Child Welfare Parental Defense (OCWPD) program and placed the Office within the EDO line item to oversee the contract. The Office contracts with licensed attorneys to represent indigent parents and to assist parental attorneys in fulfilling their duties.

ACCOUNTABILITY DETAIL

The primary responsibility of the EDO is administrative oversight. Administrative overhead should be kept as low as possible so more dollars can be allocated to service-providing programs.





These measures show the EDO budget as a percentage of the DAS appropriated budgets (first chart) and total DAS budgets including ISFs (second chart). In FY 2008 the EDO operating budget decreased by \$20,000 while total departmental expenditures increased by \$17.5 million due mostly to increased pass-throughs in Finance Mandated programs.

BUDGET DETAIL

Appropriated General Funds increased in FY 2006 as the Legislature transferred \$125,000 from the Office of Child Welfare Parental Defense to the EDO for contract oversight. Beginning in FY 2006 the EDO has opted to break out the Child Welfare Parental Defense program from the rest of the EDO budget, but both are still contained in the same line item.

Nonlapsing Balance

The EDO requests that \$65,000 not lapse at the end of FY 2009. These funds will be used for IT special projects, IT programming, studies, and parental defense conferences:

- \$25,000 for the Parental Defense program to support a large conference for Utah parental defense attorneys statewide
- \$40,000 for a customer profiling IT project that will help the EDO understand customer needs and how to provide best quality service. This project will help customers better understand DAS products and services and is intended to save taxpayer money by running a better, more efficient department.

Intent Language

The Analyst recommends the Legislature adopt the following supplemental intent language for Fiscal Year 2009:

Under terms of UCA 63J-1-402(3), the Legislature intends not to lapse Item 38, Chapter 2, or Item 26, Chapter 392, Laws of Utah 2008. Expenditure of these funds is limited to: Customer profiling project - \$40,000; Child Welfare Parental Defense expenses - \$25,000.

Fees

In accordance with UCA 63J-1-303, the following fees are proposed for the Department of Admin. Services in FY 2010:

	FY 2009 Current	FY 2010 Proposed	Difference	FY 2010 # Units	Revenue Change
a. Photocopy made by state employee for public, per page	0.50	0.50			
b. Certified copy of a document, per certification	2.00	2.00			
c. Fax request (long distance within US), per number	2.00	2.00			
d. Fax request (long distance outside US), per number	5.00	5.00			
e. Mail request (address within US), per address	2.00	2.00			
f. Mail request (address outside US), per address	5.00	5.00			
g. Research or service fee: as provided by 63-2-203(2)					
h. Extended research or service fee: as provided by 63-2-203(2)					
i. Photocopy made by requestor, per page	0.10	0.10			
j. Microfilm copy, per fiche	0.50	0.50			
k. Microfilm copy, per 35mm film print (silver)	20.00	20.00			
l. Microfilm copy, per 16mm film print (silver)	18.00	18.00			
m. Microfilm copy, per 16mm film print (thin)	10.00	10.00			
n. Microfilm copy, per 35mm film print (diaz)	10.00	10.00			
o. Microfilm copy, per 16mm film print (diaz)	9.00	9.00			
p. Microfilm to CD/DVD, per reel	15.00	15.00			
q. Paper copies from microfilm, made by staff	1.00	1.00			
r. Paper copies from microfilm, made by requestor	0.25	0.25			
s. Electronic documents, per diskette	0.60	0.60			
t. Electronic documents, per DVD	4.00	4.00			
u. Electronic documents, per CD	2.00	2.00			
v. Laser printer output, per page by staff	0.50	0.50			
w. Laser printer output, per page by requestor	0.10	0.10			

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. A total base appropriation of \$858,100 for the Executive Director's Office line item.
2. Intent language making the FY 2009 appropriation nonlapsing but limited to uses specified in the language.
3. GRAMA fees as shown above for the entire Department of Administrative Services.

BUDGET DETAIL TABLE

Administrative Services - Executive Director						
	FY 2008	FY 2009		FY 2009		FY 2010*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Base Budget
General Fund	868,500	940,100	(82,000)	858,100	0	858,100
General Fund, One-time	0	(21,000)	82,000	61,000	(61,000)	0
Beginning Nonlapsing	61,900	62,000	3,000	65,000	(65,000)	0
Closing Nonlapsing	(65,000)	(12,900)	12,900	0	0	0
Lapsing Balance	(54,900)	0	0	0	0	0
Total	\$810,500	\$968,200	\$15,900	\$984,100	(\$126,000)	\$858,100
Programs						
Executive Director	740,400	822,700	36,900	859,600	(122,000)	737,600
Parental Defense	70,100	145,500	(21,000)	124,500	(4,000)	120,500
Total	\$810,500	\$968,200	\$15,900	\$984,100	(\$126,000)	\$858,100
Categories of Expenditure						
Personal Services	508,400	594,300	(9,700)	584,600	(11,400)	573,200
In-State Travel	0	400	0	400	0	400
Out of State Travel	5,400	3,900	2,000	5,900	0	5,900
Current Expense	209,900	212,300	(7,300)	205,000	(163,500)	41,500
DP Current Expense	86,800	157,300	30,900	188,200	48,900	237,100
Total	\$810,500	\$968,200	\$15,900	\$984,100	(\$126,000)	\$858,100
Other Data						
Budgeted FTE	5.00	5.00	(0.25)	4.75	0.00	4.75
Actual FTE	4.2	0.0	0.0	0.0	0.0	0.0

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

Budget Brief: DAS Administrative Rules

SUMMARY

The Division of Administrative Rules establishes procedures for administrative rulemaking, records administrative rules, and makes administrative rules available to the public.

The division also 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 *Rulewriting Manual for Utah*. The division provides regular notices to agencies of rules due for five-year review or rules about to expire.

ISSUES AND RECOMMENDATIONS

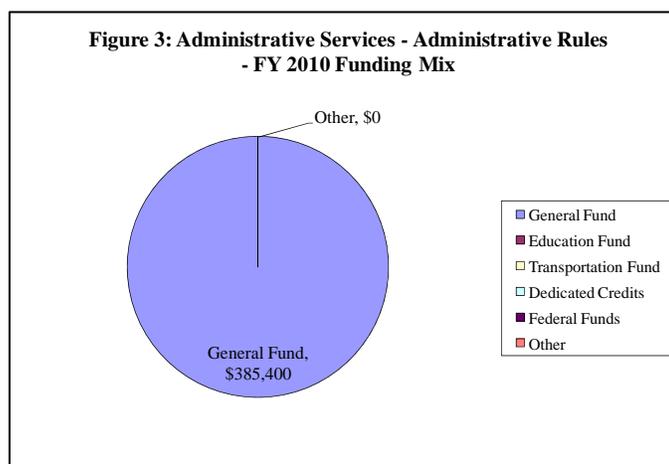
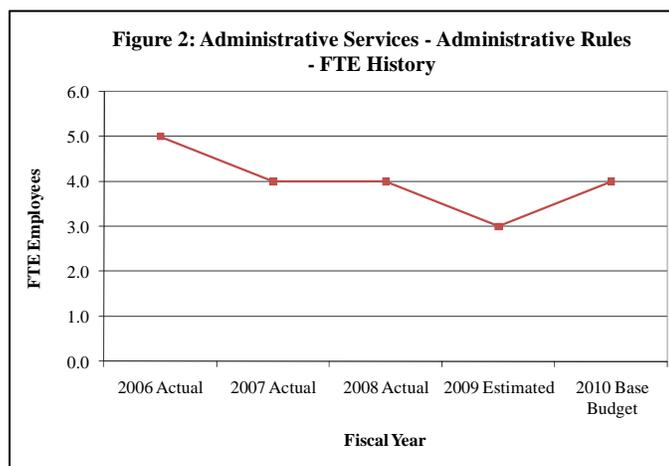
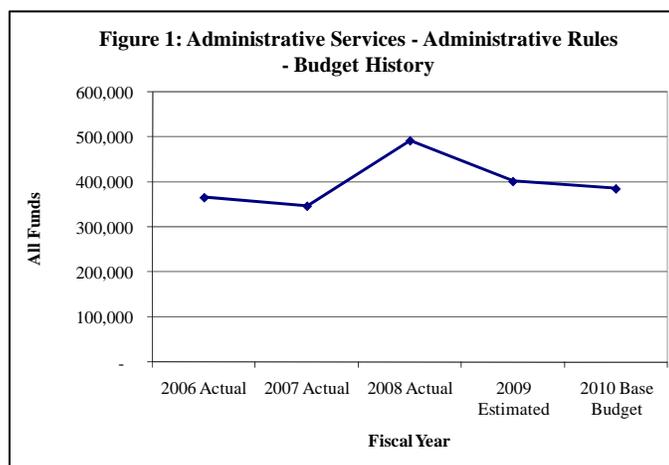
eRules application replacement

eRules is a web-enabled filing and publishing system first constructed with one-time funds between 1999 and 2001. The software is an improvement over the former paper-based filing system. In January 2006, the eRules system became less stable and agencies experienced problems with downtime.

Furthermore Microsoft stopped supporting key software for the system. To remedy these issues the Legislature authorized the division to spend \$55,500 from its nonlapsing balance in addition to a \$71,500 appropriation in FY 2008.

The Division contracted with the Department of Technology Services (DTS) to reconstruct the system which includes reprogramming the system, making additions to the Oracle database behind the system, and adding a reporting module.

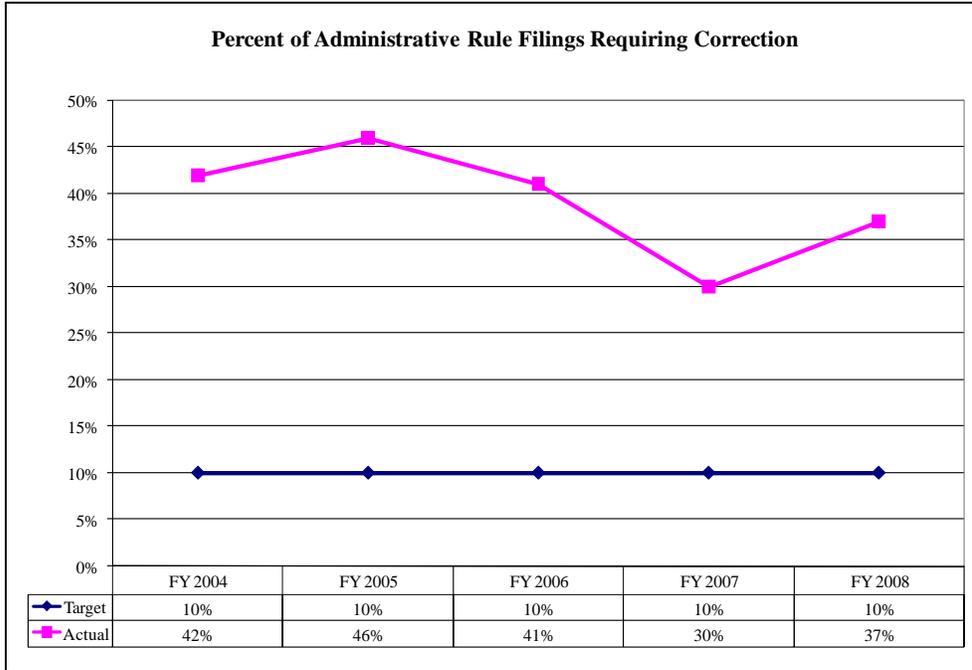
The newly remodeled system will enable agencies to submit rules more efficiently to the Division, allow the Division to more closely monitor rule submissions, and provide greater security.



ACCOUNTABILITY DETAIL

Percent of Agency Rule Filings Requiring Correction

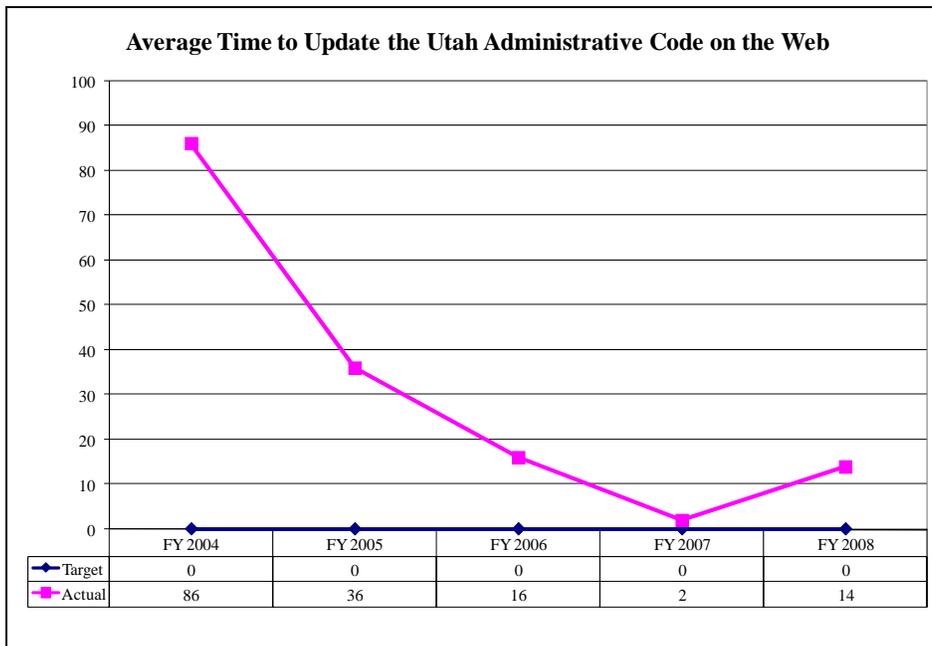
It is much easier to challenge a rule on procedural grounds than on substantive grounds. To help protect the state from procedural challenges, the division reviews rule filings to make sure certain minimum requirements have been met. Rules that do not meet the minimum requirements are returned to the agency for correction.



The goal is no more than a ten percent error rate. Approximately 37 percent of rules filed in FY 2008 required correction by the originating agency. The division reports it did an initial cursory review of all rule filings within three working days, giving all agencies a chance to respond.

Average Time to Update the Administrative Code on the Web

Timely availability of the Utah Administrative Code (effective rules) plays a critical role in how Utah’s regulatory system works. Public access to administrative rules increases the likelihood of compliance and also provides citizens with an understanding of government’s expectations and requirements. Citizens can then act accordingly or recommend changes to rules. The division made great improvement from an average of 86 days late in FY 2004.



BUDGET DETAIL

UCA 63G-3-402(5) gives this budget nonlapsing authority for funds appropriated or collected for the division’s publications.

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. A total base appropriation of \$385,400 for the Division of Administrative Rules.

BUDGET DETAIL TABLE

Administrative Services - Administrative Rules						
	FY 2008	FY 2009		FY 2009		FY 2010*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Base Budget
General Fund	374,700	397,900	(12,500)	385,400	0	385,400
General Fund, One-time	0	0	3,800	3,800	(3,800)	0
Beginning Nonlapsing	129,900	0	12,400	12,400	(12,400)	0
Closing Nonlapsing	(12,400)	0	0	0	0	0
Total	\$492,200	\$397,900	\$3,700	\$401,600	(\$16,200)	\$385,400
Programs						
DAR Administration	492,200	397,900	3,700	401,600	(16,200)	385,400
Total	\$492,200	\$397,900	\$3,700	\$401,600	(\$16,200)	\$385,400
Categories of Expenditure						
Personal Services	302,300	322,000	(11,600)	310,400	7,900	318,300
In-State Travel	100	0	0	0	0	0
Out of State Travel	3,900	4,500	0	4,500	(300)	4,200
Current Expense	20,000	19,000	1,100	20,100	0	20,100
DP Current Expense	165,900	52,400	14,200	66,600	(23,800)	42,800
Total	\$492,200	\$397,900	\$3,700	\$401,600	(\$16,200)	\$385,400
Other Data						
Budgeted FTE	4.0	4.0	0.0	4.0	0.0	4.0
Actual FTE	3.8	0.0	0.0	0.0	0.0	0.0

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



Budget Brief: DAS DFCM Administration

SUMMARY

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 and maintenance of state buildings and assists the Building Board in developing its recommendations for capital development projects and allocating capital improvement funds. The division also oversees all non-higher education, non-judicial branch leases and controls the allocation of state-owned space.

The 2006 Legislature passed H.B. 80, which directs DFCM to administer the State Buildings Energy Efficiency Program (SBEEP). Funding for this program came from fines paid by oil companies that violated federal oil prices until those funds ran out in FY 2009 whereupon the Legislature replaced those funds with General Fund and created a revolving loan fund for energy efficiency projects.

ISSUES AND RECOMMENDATIONS

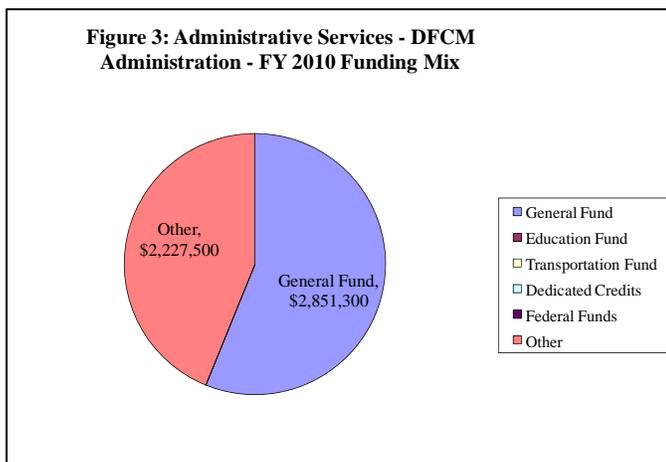
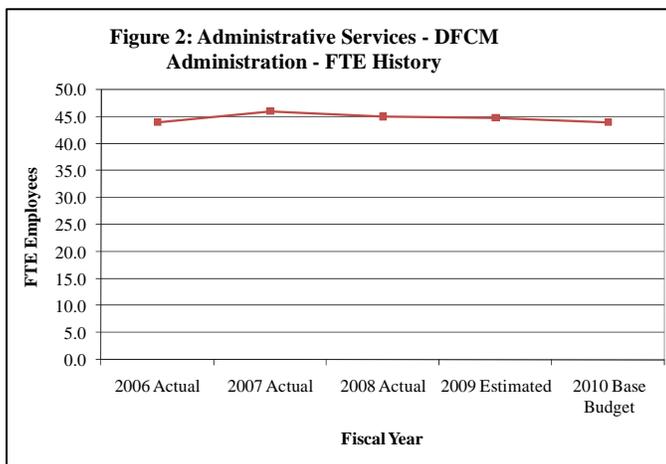
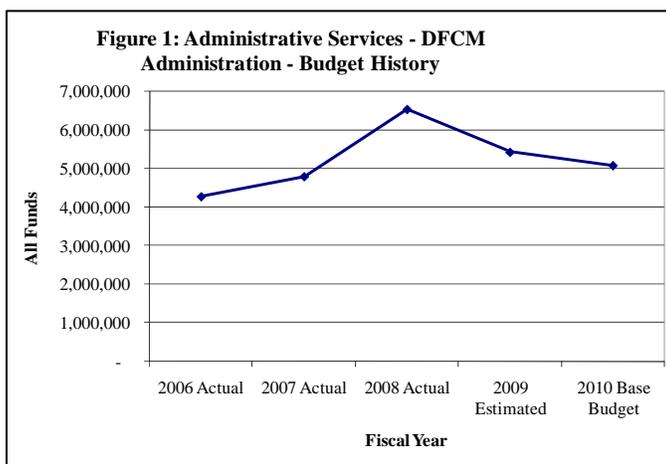
State Buildings Energy Efficiency Program

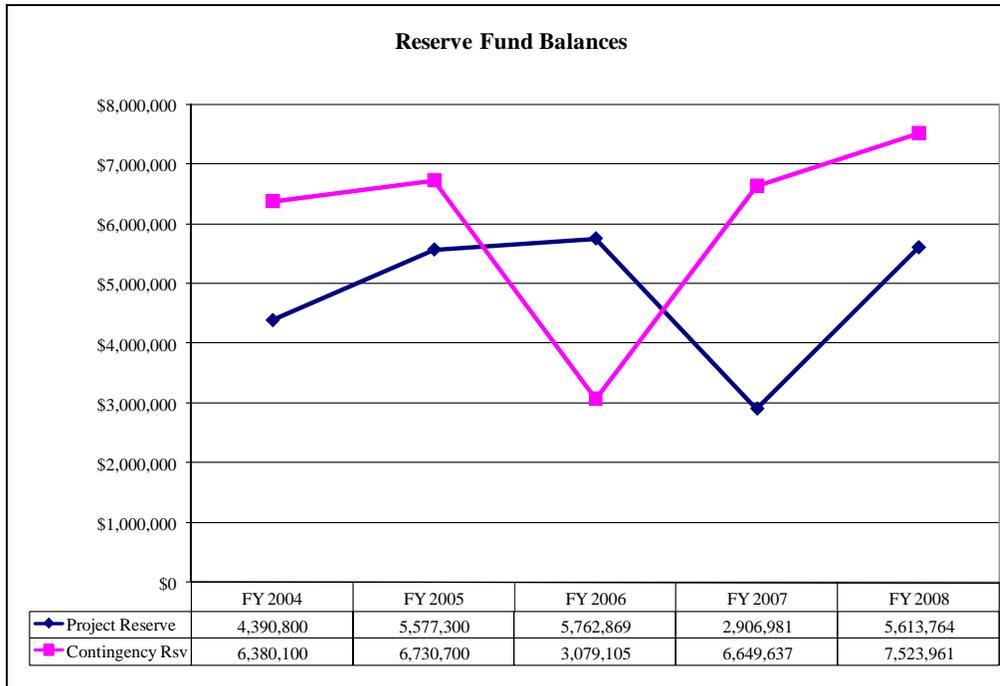
The State Buildings Energy Efficiency Program's primary goal is to increase energy efficiency by 20 percent by year 2015. The Legislature appropriated \$1.5 million in FY 2008 as a pilot program to see how successful the projects are. The SBEEP program used the funds to complete 46 energy projects which generated \$430,200 annual energy savings and received \$764,000 of Rocky Mountain Power onetime incentives

ACCOUNTABILITY DETAIL

Reserve Fund Balances

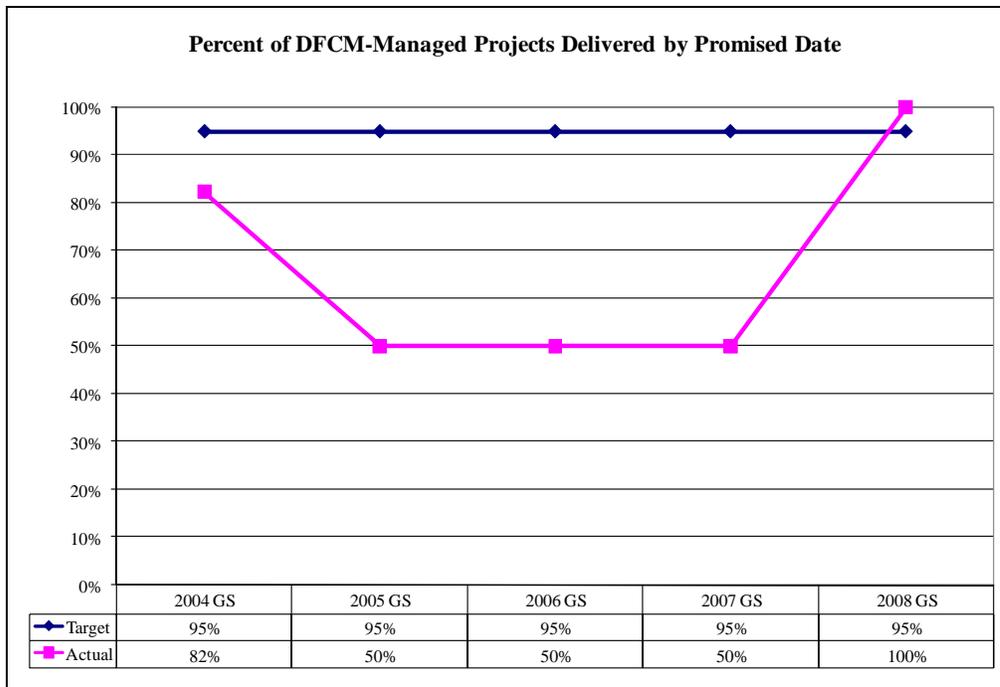
The Project Reserve Fund balance reflects a transfer of \$2.25 million to the DSC Health Sciences Building that occurred in early FY 2007 and a FY 2006 transfer of \$2.5 million to the SLCC Health Sciences Building. In FY 2007 the Legislature transferred \$1.5 million from the Contingency Reserve Fund to the Project Reserve Fund and in FY 2008 the Legislature appropriated \$2.0 million out of the Contingency Reserve Fund to purchase land for the Southwest Applied Technology College. Balances accrue in these funds only when projects come in under budget or when bids are lower than expected.





Percent of State-Funded Projects Delivered by Promised Date

There is typically a two to three year lag time between when a project is funded and when it is substantially complete. Almost all projects approved in the 2004 and 2005 General Sessions have been closed out. Projects from the 2006 to 2008 General Sessions, however, are still being constructed and the percentages in the chart below only reflect a small number of the total projects.



LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. A total FY 2009 base appropriation of \$5,078,800 for the DFCM Administration line item.

BUDGET DETAIL TABLE

Administrative Services - DFCM Administration						
Sources of Finance	FY 2008 Actual	FY 2009 Appropriated	Changes	FY 2009 Revised	Changes	FY 2010* Base Budget
General Fund	2,595,500	3,150,300	(299,000)	2,851,300	0	2,851,300
General Fund, One-time	1,500,000	(895,700)	200,000	(695,700)	695,700	0
Dedicated Credits Revenue	306,700	379,700	(379,700)	0	0	0
Capital Projects Fund	1,876,000	1,945,200	0	1,945,200	0	1,945,200
Project Reserve Fund	200,000	200,000	0	200,000	0	200,000
Contingency Reserve Fund	82,300	1,082,300	0	1,082,300	(1,000,000)	82,300
Beginning Nonlapsing	0	42,000	0	42,000	(42,000)	0
Lapsing Balance	(20,600)	0	0	0	0	0
Total	\$6,539,900	\$5,903,800	(\$478,700)	\$5,425,100	(\$346,300)	\$5,078,800
Programs						
DFCM Administration	4,631,900	5,063,900	(99,000)	4,964,900	(345,800)	4,619,100
Energy Program	1,806,700	738,600	(379,700)	358,900	(500)	358,400
Governor's Residence	101,300	101,300	0	101,300	0	101,300
Total	\$6,539,900	\$5,903,800	(\$478,700)	\$5,425,100	(\$346,300)	\$5,078,800
Categories of Expenditure						
Personal Services	3,942,700	4,811,600	(540,800)	4,270,800	(140,400)	4,130,400
In-State Travel	194,000	132,300	54,700	187,000	(13,500)	173,500
Out of State Travel	6,100	14,200	(3,200)	11,000	(3,000)	8,000
Current Expense	406,600	465,000	(27,600)	437,400	(98,000)	339,400
DP Current Expense	468,600	438,700	38,200	476,900	(49,400)	427,500
DP Capital Outlay	16,500	0	0	0	0	0
Capital Outlay	5,400	42,000	0	42,000	(42,000)	0
Other Charges/Pass Thru	1,500,000	0	0	0	0	0
Total	\$6,539,900	\$5,903,800	(\$478,700)	\$5,425,100	(\$346,300)	\$5,078,800
Other Data						
Budgeted FTE	45.0	47.0	(1.0)	46.0	(2.0)	44.0
Actual FTE	43.0	0.0	0.0	0.0	0.0	0.0
Vehicles	9	8	4	12	0	12

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

Budget Brief: DAS Division of State Archives

SUMMARY

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

House Bill 222 of the 2007 General Session instituted a new website to assist the public to find posted public meeting notices of all governmental entities in the state. The bill required the Division of Archives to create and administer that site.

ISSUES AND RECOMMENDATIONS

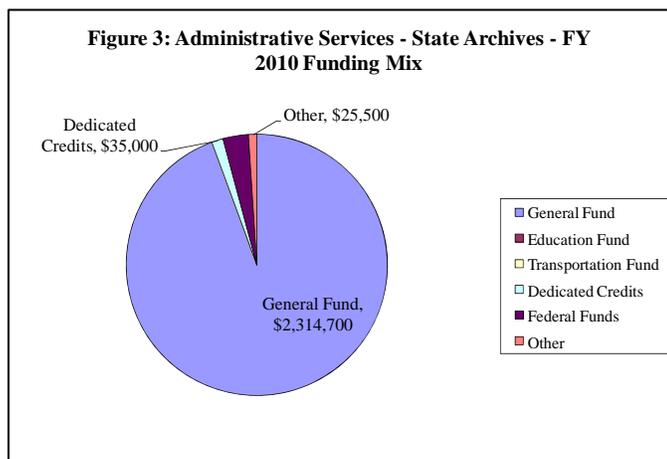
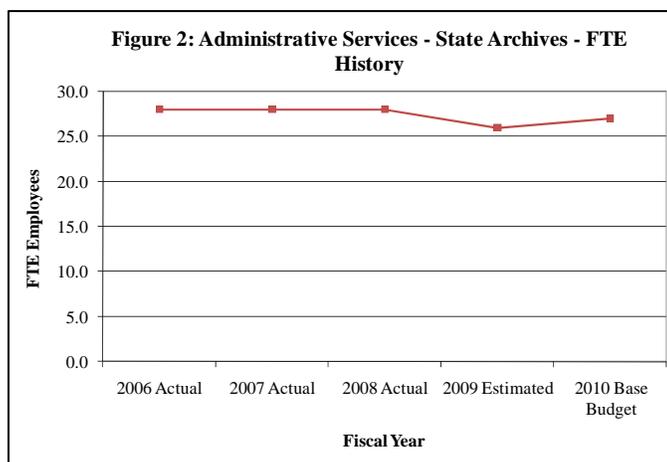
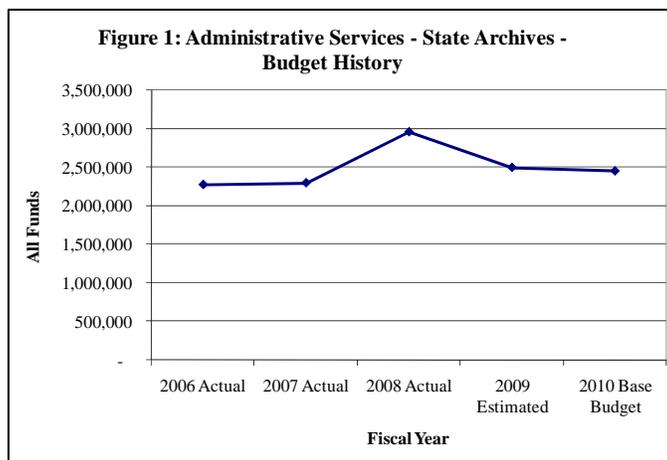
Utah Public Notice Website

The Legislature appropriated one-time funding of \$100,000 in FY 2008 to create a public notice website and \$76,400 ongoing funding in FY 2009 for an FTE to maintain and operate the site. The website, which can be found at <http://www.utah.gov/pmn/index.html>, allows the public to access public meeting notices for Utah state agencies and political subdivisions on one site.

Email Management System

The Division of Archives spearheaded an electronic records management initiative to identify email policy and retention issues for the state. The initiative found that the reliance on email to communicate and exchange documents requires an improved system to protect and manage electronic records. New e-discovery legal rules require the state to produce records in electronic formats as part of the litigation process and current e-record vulnerability puts the state at risk for business continuity and loss of investment.

When additional funding becomes available, the Division requests an email archive management solution for enterprise (statewide) implementation. The request includes one-time start up costs of \$433,400 and ongoing licensing and maintenance costs of \$318,600.

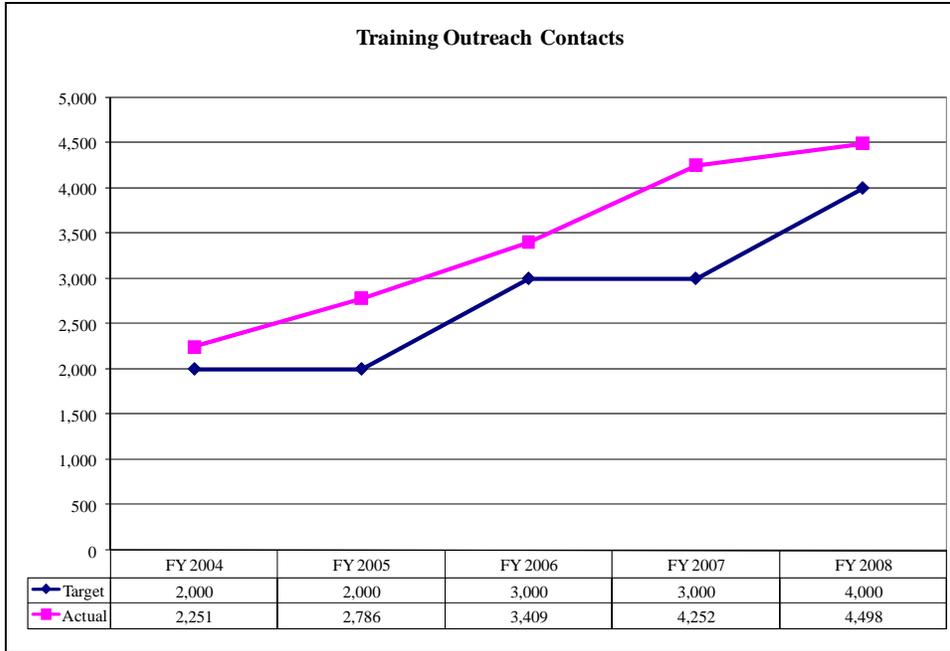


ACCOUNTABILITY DETAIL

Records officers and others in state and local governments need assistance and training in their responsibilities and the most efficient ways to accomplish their duties. The division is mandated to promote efficient management of records in all government agencies.

Training Outreach Contracts

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 benefit and increase the state’s ability to manage its governmental records.



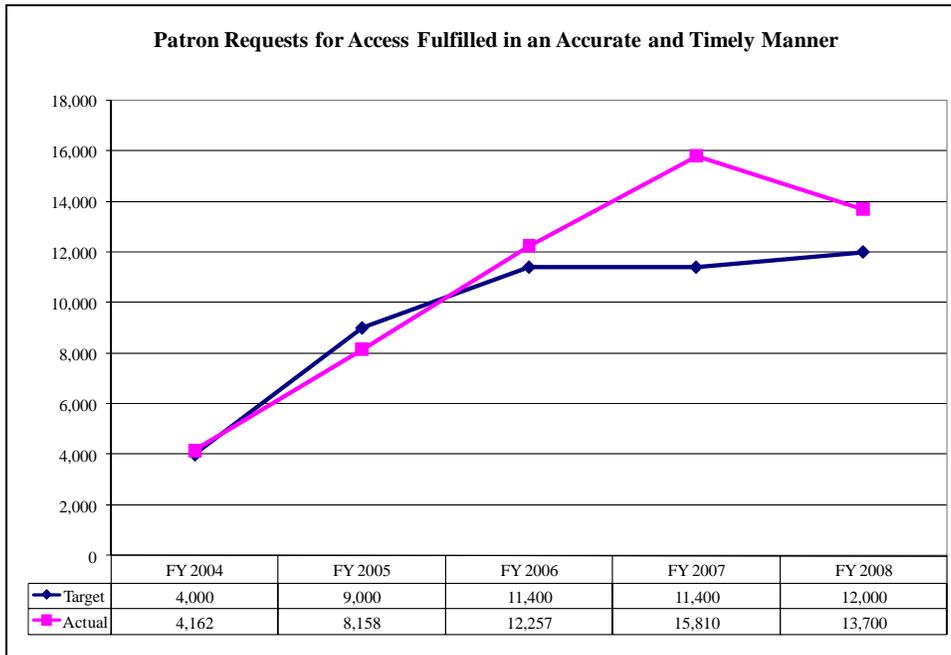
Number of Frames Microfilmed at Quality Standards

The division exceeded its targets in the last four years.



Patron Requests for Access Fulfilled

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



The new (as of January 2005) Utah Research Center has provided for increased services and opportunities to patrons and should continue to do so.

BUDGET DETAIL

Ninety five percent of this budget is appropriated from the General Fund. Dedicated Credits of \$35,000 are projected to be raised from sales of copies of archived records. Federal funds in the amount of \$77,000 are anticipated from the National Historic Publications and Records Commission.

Intent Language

The Legislature appropriated \$200,000 in FY 2008 to the Division of State Archives for one-time grants to local archive regional repositories to be spread over three years. The intent language recommended below enables the Division to complete this task by allowing the division to bring the remainder of the funds into FY 2010.

The Analyst recommends the Legislature adopt the following supplemental intent language for Fiscal Year 2009:

Under terms of UCA 63G-1-402(3), the Legislature intends not to lapse up to \$92,000 provided by Item 41, Chapter 2, or Item 29, Chapter 392, Laws of Utah 2008 for regional repository projects and support grants. Expenditure of these funds is limited primarily to governmental entities to fund projects and regional repository support, but may also be used for non-governmental entities. The Legislature intends that no more than 25% of the total grants awarded for any given year be used for non-governmental entities.

Federal Funds Approval

The following Federal grants and awards are submitted to the Subcommittee for their approval for the Utah State Archives for FY 2009:

- State Board SNAP Grant of \$40,000 with a \$40,000 General Fund match

The following Federal grants and awards are submitted to the Subcommittee for their approval for the Utah State Archives for FY 2010:

- State Board SNAP Grant of \$58,500 with a \$58,500 General Fund match

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. A total base appropriation of \$2,452,200 for the Division of State Archives.
2. Intent language making the FY 2009 appropriation nonlapsing but limited to uses specified in the language.
3. Federal grants and awards approval of \$40,000 for FY 2009.
4. Federal grants and awards approval of \$58,500 for FY 2010.

BUDGET DETAIL TABLE

Administrative Services - State Archives						
	FY 2008	FY 2009		FY 2009		FY 2010*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Base Budget
General Fund	2,438,700	2,510,700	(196,000)	2,314,700	0	2,314,700
General Fund, One-time	300,000	26,200	23,700	49,900	(49,900)	0
Federal Funds	83,100	64,000	13,000	77,000	0	77,000
Dedicated Credits Revenue	128,500	46,400	(11,400)	35,000	0	35,000
Beginning Nonlapsing	19,300	153,000	(40,500)	112,500	(20,500)	92,000
Beginning Nonlapsing - Retirement	101,500	0	0	0	0	0
Closing Nonlapsing	(112,500)	(66,500)	(25,500)	(92,000)	25,500	(66,500)
Total	\$2,958,600	\$2,733,800	(\$236,700)	\$2,497,100	(\$44,900)	\$2,452,200
Programs						
Archives Administration	1,060,300	791,700	(167,600)	624,100	(23,700)	600,400
Patron Services	488,800	508,600	123,800	632,400	5,000	637,400
Preservation Services	340,200	362,600	(7,100)	355,500	0	355,500
Records Analysis	373,400	301,600	(3,300)	298,300	0	298,300
Records Services	695,900	769,300	(182,500)	586,800	(26,200)	560,600
Total	\$2,958,600	\$2,733,800	(\$236,700)	\$2,497,100	(\$44,900)	\$2,452,200
Categories of Expenditure						
Personal Services	1,728,800	1,786,000	(50,400)	1,735,600	(98,600)	1,637,000
In-State Travel	16,200	10,200	7,100	17,300	(1,000)	16,300
Out of State Travel	6,900	7,900	700	8,600	(2,000)	6,600
Current Expense	739,400	583,800	(34,900)	548,900	74,700	623,600
DP Current Expense	325,500	217,500	(80,800)	136,700	(18,000)	118,700
Capital Outlay	97,900	0	0	0	0	0
Other Charges/Pass Thru	43,900	128,400	(78,400)	50,000	0	50,000
Total	\$2,958,600	\$2,733,800	(\$236,700)	\$2,497,100	(\$44,900)	\$2,452,200
Other Data						
Budgeted FTE	28.0	29.0	(3.0)	26.0	0.0	26.0
Actual FTE	31.8	0.0	0.0	0.0	0.0	0.0

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



Budget Brief: DAS Division of Finance - Administration

CAPITAL FACILITIES AND GOVERNMENT OPERATIONS

FY 2010

SUMMARY

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.

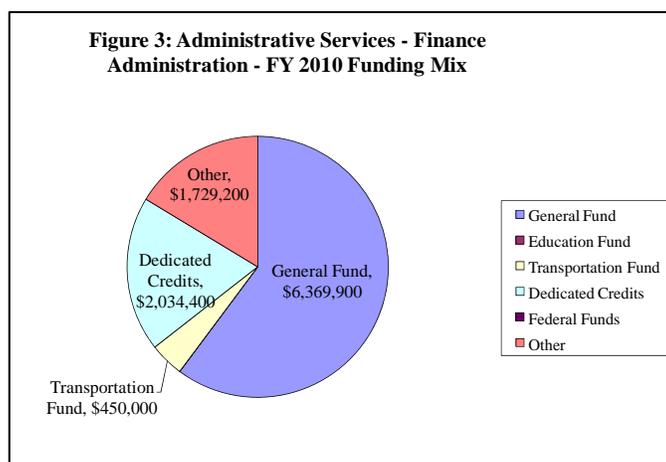
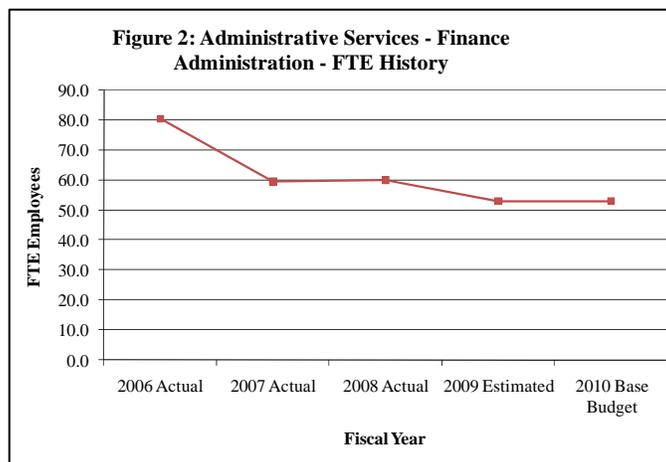
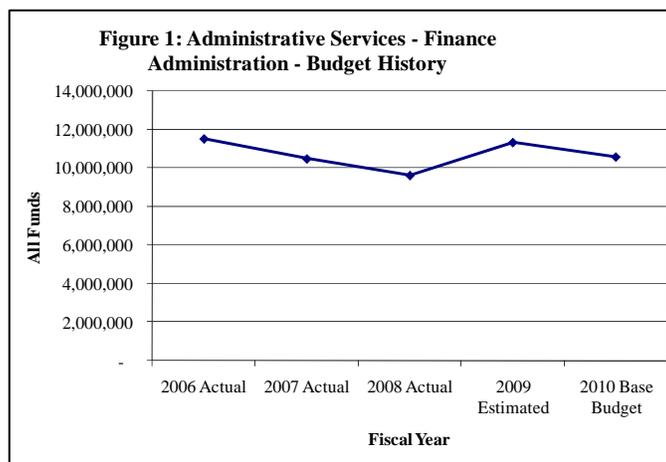
The Division of Finance is divided into six programs (Director, Payroll, Payables/Disbursing, Technical Services, Financial Reporting and Financial Information Systems) to accomplish its mission. Some of its key functions are to: produce the State's Comprehensive Annual Financial Report (CAFR); ensure compliance with generally accepted accounting principles; disburse all payments to vendors/contractors and employees; develop, operate, and maintain accounting systems; process the state's payroll; and account for revenues collected by all agencies.

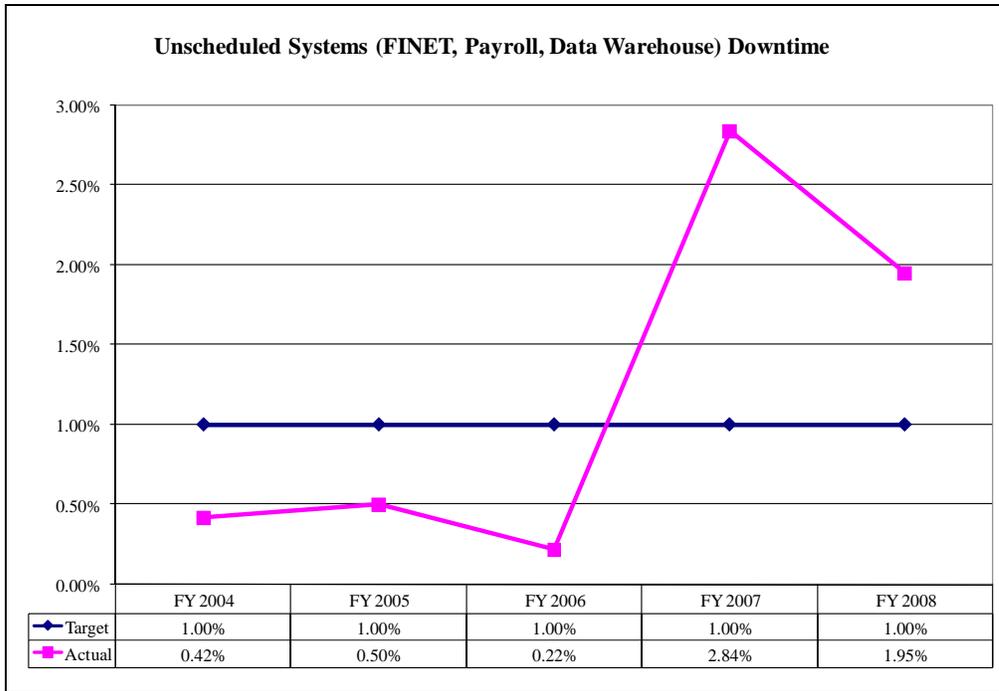
ACCOUNTABILITY DETAIL

Unscheduled Systems Downtime

The Division of Finance maintains several statewide financial systems including FINET, the State's central accounting system; Payroll, which issues payments to employees; and the Data Warehouse, which contains current and historical financial, personnel, and payroll data. As all state agencies use these systems unscheduled downtime affects governmental productivity statewide.

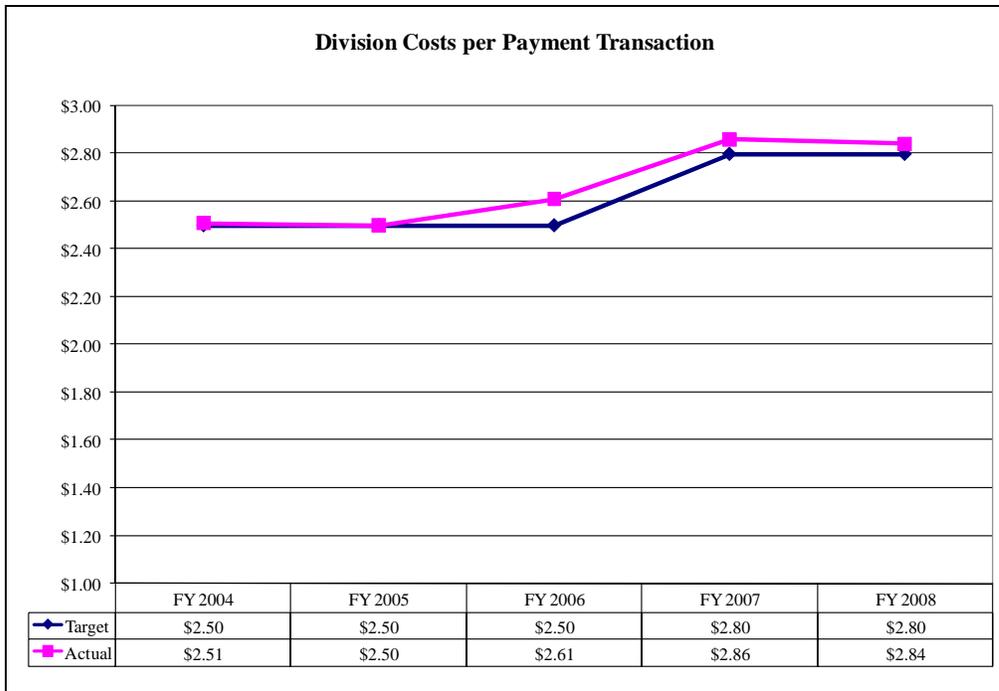
Prior to FY 2008, this measure only included Data Warehouse. FY 2007 was the first year under the new FINET and Data Warehouse, which were modernized and revamped. Finance experienced downtime and performance issues right after the new systems went online, but Finance has taken steps to improve performance.





Division Costs per Payment Transaction

This is a measure of the total division costs (except new computer system projects) divided by the number of checks and electronic fund transfers issued. It is intended to gauge the efficiency of the organization.



BUDGET DETAIL

Dedicated Credits are generated from user fees in the travel office, administrative costs charged to the Finder System, and direct charges made for accounting services. Because of the large amount of data processed for the Department of Transportation, a portion of the Financial Information Systems program is funded from the Transportation Fund.

Intent Language

The Division requests nonlapsing authority for FY 2009 to complete the following projects in priority order:

1. Upgrade FINET to version 3.8 - \$150,000
2. Ongoing maintenance for Utah Public Finance Website (Transparency) - \$38,500
3. Actuarial Study for Other Post-Employment Benefits (OPEB) - \$50,000
4. Additional assessment from the Governmental Standards Accounting Board (GASB) - \$50,000
5. Additional data storage for FINET system - \$59,000
6. Additional data storage for Data Warehouse - \$50,000

The Analyst recommends the Legislature adopt the following intent language for FY 2009:

Under terms of UCA 63G-1-402(3), the Legislature intends not to lapse Item 42, Chapter 2, or Item 30, Chapter 392, Laws of Utah 2007. Expenditure of these funds is limited to an actuarial study of post-employment benefits - \$50,000; an assessment from the Governmental Standards Board - \$127,000; and the maintenance, operation, and development of statewide financial systems - \$297,500.

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. A total FY 2009 base appropriation of \$10,583,500 for the Division of Finance.
2. Intent language making the FY 2009 appropriation nonlapsing for purposes specified.

BUDGET DETAIL TABLE

Administrative Services - Finance Administration						
Sources of Finance	FY 2008 Actual	FY 2009 Appropriated	Changes	FY 2009 Revised	Changes	FY 2010* Base Budget
General Fund	7,007,700	6,884,200	(514,300)	6,369,900	0	6,369,900
General Fund, One-time	0	211,700	66,200	277,900	(277,900)	0
Transportation Fund	450,000	450,000	0	450,000	0	450,000
Dedicated Credits Revenue	2,159,100	1,944,400	90,000	2,034,400	0	2,034,400
GFR - ISF Overhead	1,299,600	1,299,600	0	1,299,600	0	1,299,600
Beginning Nonlapsing	4,155,100	1,251,000	121,300	1,372,300	(897,800)	474,500
Closing Nonlapsing	(5,447,300)	(140,400)	(334,100)	(474,500)	429,600	(44,900)
Total	\$9,624,200	\$11,900,500	(\$570,900)	\$11,329,600	(\$746,100)	\$10,583,500
Programs						
Finance Director's Office	392,200	400,000	(3,900)	396,100	0	396,100
Financial Information Systems	2,589,600	3,321,700	84,400	3,406,100	(418,500)	2,987,600
Financial Reporting	1,512,700	1,676,700	(43,700)	1,633,000	177,000	1,810,000
Payables/Disbursing	2,158,100	2,413,800	(459,200)	1,954,600	(66,200)	1,888,400
Payroll	1,386,600	2,537,200	(12,600)	2,524,600	(333,900)	2,190,700
Technical Services	1,585,000	1,551,100	(135,900)	1,415,200	(104,500)	1,310,700
Total	\$9,624,200	\$11,900,500	(\$570,900)	\$11,329,600	(\$746,100)	\$10,583,500
Categories of Expenditure						
Personal Services	4,539,400	5,101,200	(117,400)	4,983,800	(200,000)	4,783,800
In-State Travel	700	2,700	(200)	2,500	0	2,500
Out of State Travel	28,400	22,000	(5,700)	16,300	0	16,300
Current Expense	1,050,200	1,038,600	(39,300)	999,300	177,000	1,176,300
DP Current Expense	3,685,400	4,119,400	(40,200)	4,079,200	(154,600)	3,924,600
DP Capital Outlay	320,100	1,616,600	(368,100)	1,248,500	(568,500)	680,000
Total	\$9,624,200	\$11,900,500	(\$570,900)	\$11,329,600	(\$746,100)	\$10,583,500
Other Data						
Budgeted FTE	60.0	61.0	(5.0)	56.0	0.0	56.0
Actual FTE	54.3	0.0	0.0	0.0	0.0	0.0

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



Budget Brief: DAS Division of Finance - Mandated

CAPITAL FACILITIES AND GOVERNMENT OPERATIONS

FY 2010

SUMMARY

Each year the Legislature funds items that impact several agencies, solve problems that don't apply to any specific agency, or that pose a conflict of interest to agency management. For these programs, the Legislature directs the Division of Finance to administer payment as intended 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 appropriations acts for each program, but is not empowered to make policy decisions regarding funding in the mandated sections.

This line item currently has three programs with an ongoing budget – the LeRay McAllister Critical Land Conservation Fund, Development Zone Partial Rebates, and Land Exchange Distribution.

ISSUES AND RECOMMENDATIONS

LeRay McAllister Fund

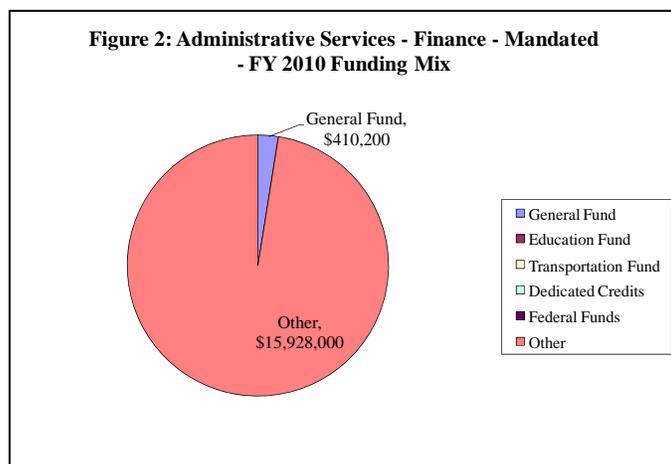
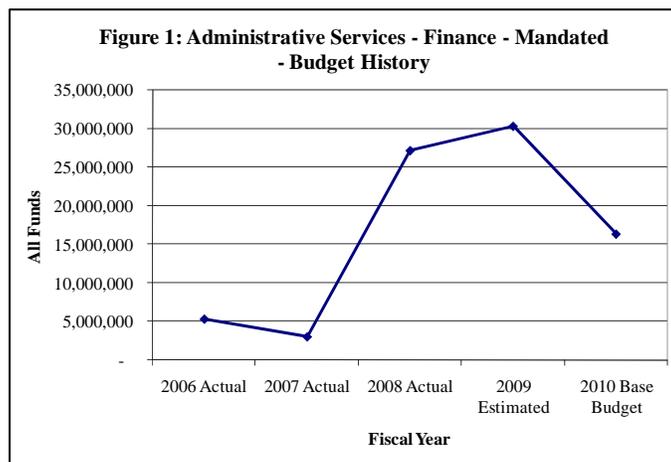
The LeRay McAllister Land Conservation Fund provides funds for non-profits, local governments, and state agencies to preserve open space and agricultural lands. The Fund is overseen by the Quality Growth Commission and went from a base appropriation of \$2,750,000 to \$482,600 during budget cuts. Since then the Legislature has opted to appropriate one-time funds:

- \$3,000,000 in the 2005 General Session
- \$1,000,000 in the 2006 General Session
- \$2,000,000 in the 2007 General Session
- \$2,000,000 in the 2008 General Session

State funds have been matched by other grants at a 6.5 to 1 state funded ratio (see data below under "Accountability Detail"). These additional matching funds do not appear in the state budget but are part of the Quality Growth Commission's grant process.

Development Zone Partial Rebates

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. Statute requires the account be used for any individual or company that enters into an agreement with the Governor's Office of Economic Development (GOED) and has generated verifiable new state revenues.



Land Exchange Distribution Account

House Bill 134 *School and Institutional Trust Lands Amendments* (2007 G.S.) created the Land Exchange Distribution Account to be administered by the Division of Finance. The account was created to collect the state’s portion of Mineral Lease funds and distribute them to the counties in amounts determined by statutory formula. The funds are to be used by the counties to mitigate the impact caused by mineral development. By statute all money collected from mineral interests is deposited into the Land Exchange Distribution Account. However, in order for Finance to transfer money to the counties, the Legislature must appropriate funds from the Account. The FY 2010 base budget for this program is \$14,400,000. In FY 2010 H.B. 134 repeals the Rural Development Fund and transfers the fund balances to the Permanent Community Impact Fund. Therefore, the Legislature should appropriate an additional \$1,350,000 from the Land Distribution Account to the Permanent Community Impact Fund in FY 2010.

ACCOUNTABILITY DETAIL

Use of LeRay McAllister Funds since FY 1999

Since FY 1999 the Quality Growth Commission has authorized 80 projects totaling \$19.3 million in McAllister Fund grants. Partners in open space preservation have contributed \$6.54 for every dollar of McAllister Fund grants.

	<u>CY 99-04</u>	<u>CY 05</u>	<u>CY 06</u>	<u>CY 07</u>	<u>CY 08 Award</u>	<u>Total</u>
Projects	40	11	8	10	11	80
Acreage	32,283.5	21,585.5	16,567.0	4,762.0	5,197.8	80,395.7
McAllister Grant	\$9,370,308	\$3,162,500	\$1,860,000	\$2,600,000	\$2,325,870	\$19,318,678
Federal Match	17,195,629	6,473,000	6,751,000	2,255,000	2,145,850	34,820,479
Other State Match	343,500	213,000	909,000	4,791,052	205,000	6,461,552
Private Match	7,838,014	6,868,130	9,730,816	4,933,567	2,677,930	32,048,457
Local Gov't Match	2,987,779	11,588,500	1,250,000	751,875	16,217,523	32,795,677
Landowner Donation	11,824,980	0	3,990,000	1,676,000	2,728,000	20,218,980
Total Match	\$40,189,902	\$25,142,630	\$22,630,816	\$14,407,494	\$23,974,303	\$126,345,145
Total	\$49,560,210	\$28,305,130	\$24,490,816	\$17,007,494	\$26,300,173	\$145,663,823
Match/Grant	4.29 to 1	7.95 to 1	12.17 to 1	5.54 to 1	10.31 to 1	6.54 to 1

BUDGET DETAIL

Ongoing General Funds in this line item’s FY 2010 base budget include \$410,200 in the LeRay McAllister Critical Land Fund, \$14,400,000 in the Land Exchange Distribution Account, and \$1,528,000 in the Development Zone Partial Rebates program.

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. A total FY 2010 base appropriation of \$16,338,200 for the Division of Finance – Mandated line item.
2. An appropriation of \$1,350,000 from the Land Distribution Account to the Permanent Community Impact Fund in FY 2010.

BUDGET DETAIL TABLE

Administrative Services - Finance - Mandated						
Sources of Finance	FY 2008 Actual	FY 2009 Appropriated	Changes	FY 2009 Revised	Changes	FY 2010* Base Budget
General Fund	482,600	482,600	(72,400)	410,200	0	410,200
General Fund, One-time	2,000,000	0	36,200	36,200	(36,200)	0
GFR - Economic Incentive Restricted .	5,928,000	15,480,000	0	15,480,000	(13,952,000)	1,528,000
GFR - Land Exchange Distribution Ac	18,760,000	14,400,000	0	14,400,000	0	14,400,000
Risk Management ISF	0	1,000,000	(1,000,000)	0	0	0
State Debt Collection Fund	0	267,000	(267,000)	0	0	0
Beginning Nonlapsing	0	733,000	(733,000)	0	0	0
Lapsing Balance	(4,985,600)	0	0	0	0	0
Total	\$22,185,000	\$32,362,600	(\$2,036,200)	\$30,326,400	(\$13,988,200)	\$16,338,200
Programs						
Development Zone Partial Rebates	2,604,900	15,480,000	0	15,480,000	(13,952,000)	1,528,000
Land Exchange Distribution	17,097,500	14,400,000	0	14,400,000	0	14,400,000
LeRay McAllister Critical Land Conse	2,482,600	2,482,600	(2,036,200)	446,400	(36,200)	410,200
Total	\$22,185,000	\$32,362,600	(\$2,036,200)	\$30,326,400	(\$13,988,200)	\$16,338,200
Categories of Expenditure						
Other Charges/Pass Thru	22,185,000	32,362,600	(2,036,200)	30,326,400	(13,988,200)	16,338,200
Total	\$22,185,000	\$32,362,600	(\$2,036,200)	\$30,326,400	(\$13,988,200)	\$16,338,200

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



Budget Brief: Post Conviction Indigent Defense Fund

CAPITAL FACILITIES AND GOVERNMENT OPERATIONS

FY 2010

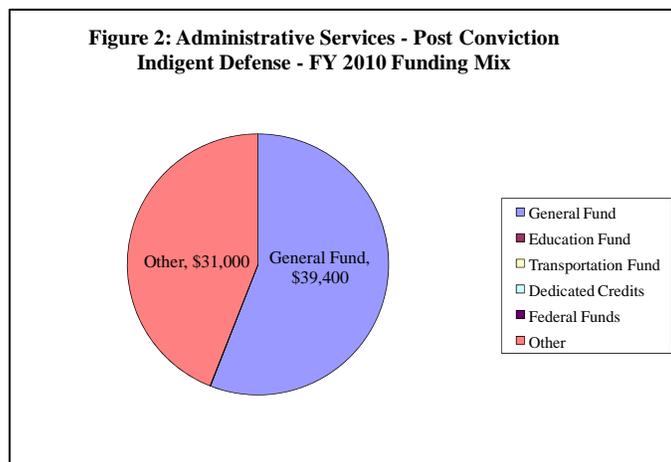
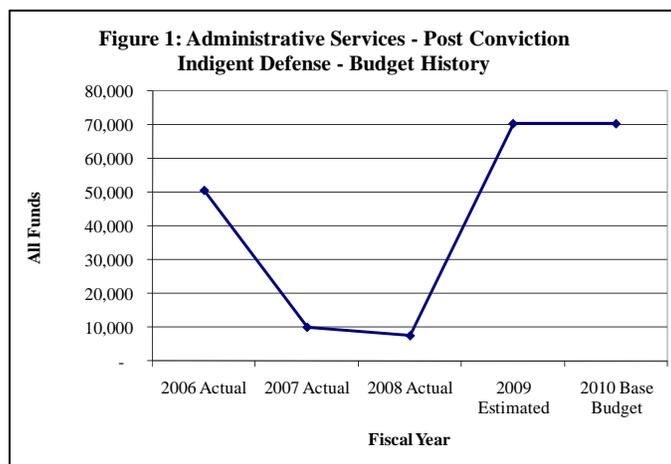
SUMMARY

UCA 78-35a-202 allows persons convicted of a capital crime and sentenced to death to challenge the conviction and have counsel appointed. If a defendant requests counsel and is determined by the court to be indigent, costs of counsel and other reasonable litigation expenses incurred in providing the representation must be paid from state funds by the Division of Finance.

The program was managed by the Attorney General’s (AG) 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, though the division does have administrative rule authority to set reimbursement rates.

The Division of Finance also manages two accounts that are similar to the Post Conviction Fund. These accounts 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 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-four participating counties annually and should be able to manage the fund in FY 2009 without state assistance.



ISSUES AND RECOMMENDATIONS

Recent Developments

The association of criminal defense lawyers has approached the Courts with a request for a higher rate from the Division of Finance, which has rulemaking authority to change reimbursement rates. The current rates have not changed for several years. The attorneys ordered by the Court to represent the convicts say that the legal costs necessary to provide a defense exceed the reimbursement by the state. Part of the problem may be a lack of communication from the Courts when an attorney is assigned the case on what the reimbursement will be from the state. Attorneys often learn of the amount only after they have provided some services for the defense.

During the 2008 General Session, the Legislature appropriated \$50,000 ongoing to the Post Conviction Indigent Defense Fund to address these concerns. The Division of Finance concurrently adjusted the rules for payment to attorneys based on milestones. The old payment schedule allowed payments up to \$37,500. The new schedule allows \$125 per hour with a soft cap at \$60,000.

At the end of FY 2008 the Fund had a balance of \$242,500 and spent only \$7,500 in FY 2008.

BUDGET DETAIL

In FY 2009 the Legislature appropriated \$43,000 ongoing General Fund to this program, which previously operated on nonlapsing carry-forward balances only.

Intent Language

The Analyst recommends the Legislature adopt the following supplemental intent language for Fiscal Year 2009:

Under terms of UCA 63G-1-402(3), the Legislature intends not to lapse Item 44, Chapter 2, Laws of Utah 2008. Expenditure of these funds is limited to: Legal costs for death row inmates - \$217,000.

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. A total FY 2010 appropriation of \$70,400 for the Post Conviction Indigent Defense Fund.
2. Intent language making the FY 2009 appropriation nonlapsing but limited to uses specified in the language.

BUDGET DETAIL TABLE

Administrative Services - Post Conviction Indigent Defense						
Sources of Finance	FY 2008 Actual	FY 2009 Appropriated	Changes	FY 2009 Revised	Changes	FY 2010* Base Budget
General Fund	0	43,000	(3,600)	39,400	0	39,400
General Fund, One-time	0	5,500	0	5,500	(5,500)	0
Beginning Nonlapsing	250,000	176,000	66,500	242,500	(25,500)	217,000
Closing Nonlapsing	(242,500)	(102,000)	(115,000)	(217,000)	31,000	(186,000)
Total	\$7,500	\$122,500	(\$52,100)	\$70,400	\$0	\$70,400
Programs						
Post Conviction Indigent Defense Fund	7,500	122,500	(52,100)	70,400	0	70,400
Total	\$7,500	\$122,500	(\$52,100)	\$70,400	\$0	\$70,400
Categories of Expenditure						
Current Expense	7,500	122,500	(52,100)	70,400	0	70,400
Total	\$7,500	\$122,500	(\$52,100)	\$70,400	\$0	\$70,400

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

Budget Brief: Judicial Conduct Commission

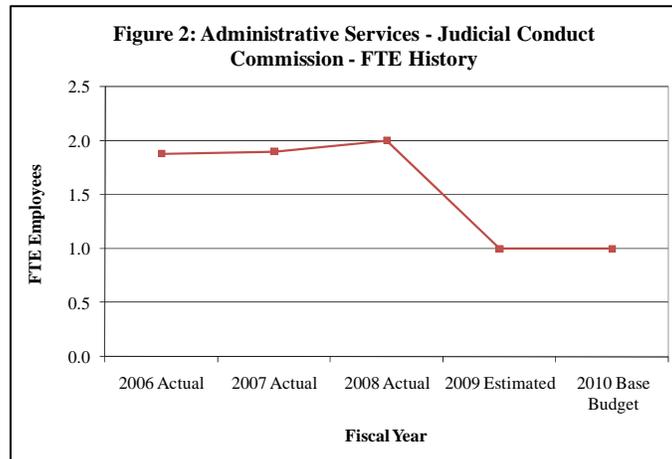
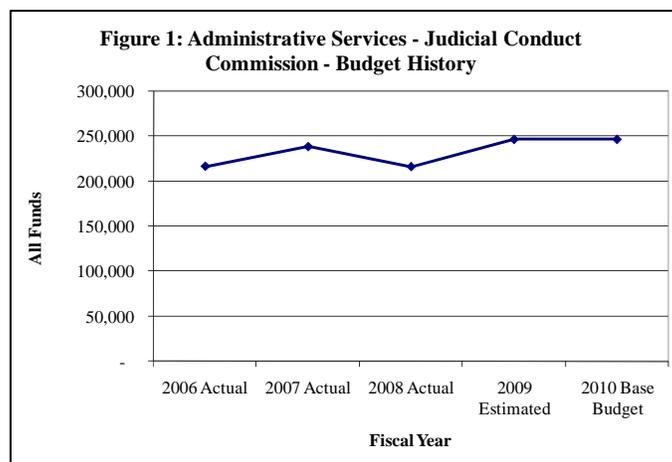
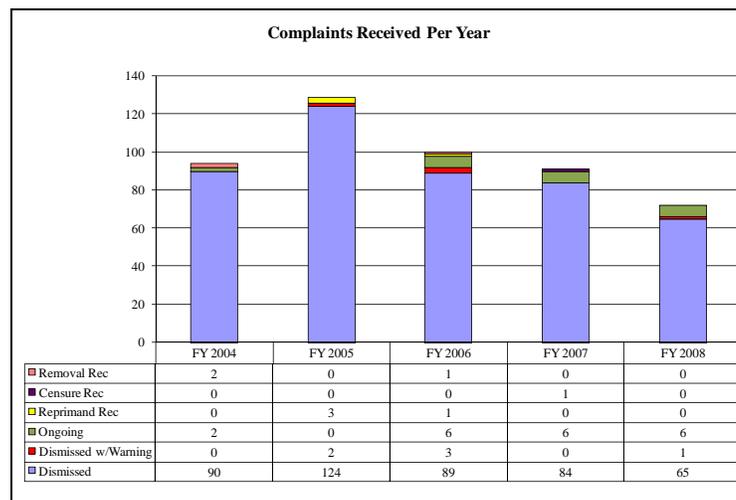
SUMMARY

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 recommends prosecution of judges when necessary. The commission dismisses approximately ninety percent of all claims, resolves five percent by stipulation, and conducts formal hearings for five percent of all claims.

Judicial Conduct Commission Membership			
Legislators	Judges	Attorneys	Public
Sen. Gene Davis	Hon. Russell Bench	Ruth Lybbert, Chair	Rod Orton, Vice-Chair
Sen. Gregory Bell	Hon. Royal Hansen	Ronald Russell	Elaine Englehardt, PhD
Rep. Neal Hendrickson			Flora Ogan
Rep. Douglas Aagard			

ACCOUNTABILITY DETAIL

The commission is required to file an annual report to the Legislature. The following data comes from their FY 2008 report.

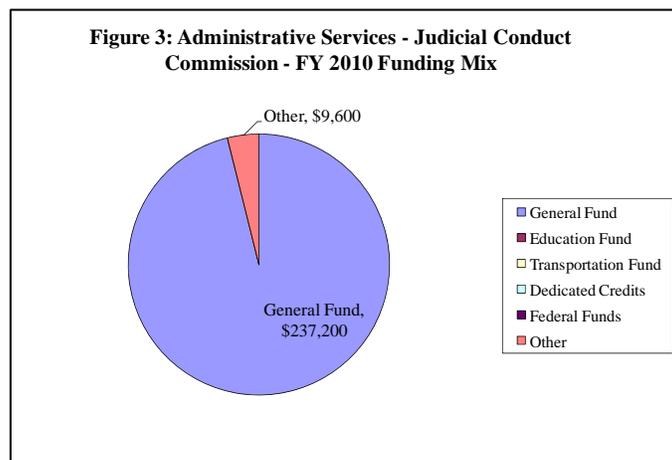


BUDGET DETAIL

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

Intent Language

The Analyst recommends the Legislature adopt the following supplemental intent language for Fiscal Year 2009:



Under terms of UCA 63G-1-402(3), the Legislature intends that funds provided by Item 45, Chapter 2, Laws of Utah 2008 shall not lapse and that those funds shall be used to hire temporary contractors on as-as-needed basis.

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. A total FY 2010 base appropriation of \$246,800 for the Judicial Conduct Commission.
2. Intent language making this appropriation nonlapsing for temporary contractors as needed.

BUDGET DETAIL TABLE

Administrative Services - Judicial Conduct Commission						
	FY 2008	FY 2009		FY 2009		FY 2010*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Base Budget
General Fund	254,700	256,400	(19,200)	237,200	0	237,200
General Fund, One-time	0	0	0	0	0	0
Beginning Nonlapsing	59,200	59,200	38,300	97,500	(9,600)	87,900
Closing Nonlapsing	(97,500)	(59,200)	(28,700)	(87,900)	9,600	(78,300)
Total	\$216,400	\$256,400	(\$9,600)	\$246,800	\$0	\$246,800
Programs						
Judicial Conduct Commission	216,400	256,400	(9,600)	246,800	0	246,800
Total	\$216,400	\$256,400	(\$9,600)	\$246,800	\$0	\$246,800
Categories of Expenditure						
Personal Services	183,100	211,400	(23,400)	188,000	0	188,000
In-State Travel	2,700	3,100	400	3,500	0	3,500
Out of State Travel	4,400	6,600	0	6,600	0	6,600
Current Expense	21,900	28,700	11,900	40,600	0	40,600
DP Current Expense	4,300	6,600	1,500	8,100	0	8,100
Total	\$216,400	\$256,400	(\$9,600)	\$246,800	\$0	\$246,800
Other Data						
Budgeted FTE	2.0	2.0	0.0	2.0	0.0	2.0
Actual FTE	1.5	0.0	0.0	0.0	0.0	0.0

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



Budget Brief: DAS Purchasing and General Services

CAPITAL FACILITIES AND GOVERNMENT OPERATIONS

FY 2010

SUMMARY

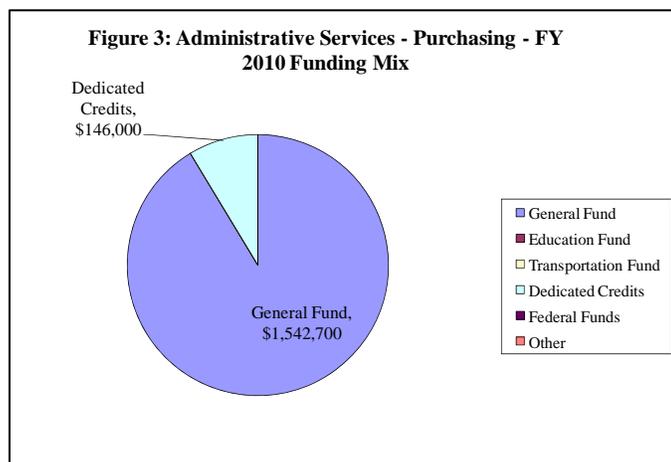
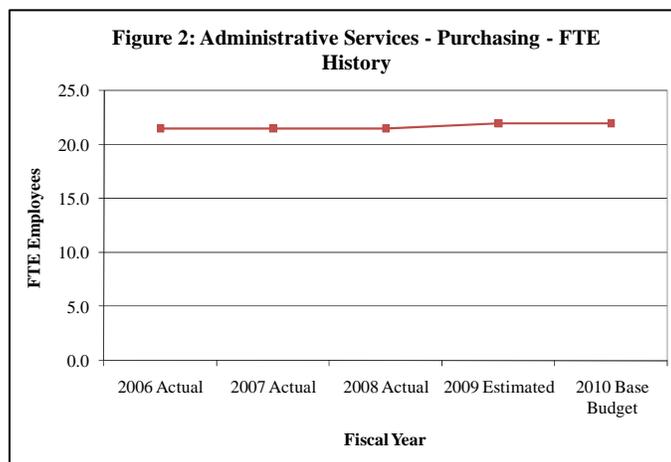
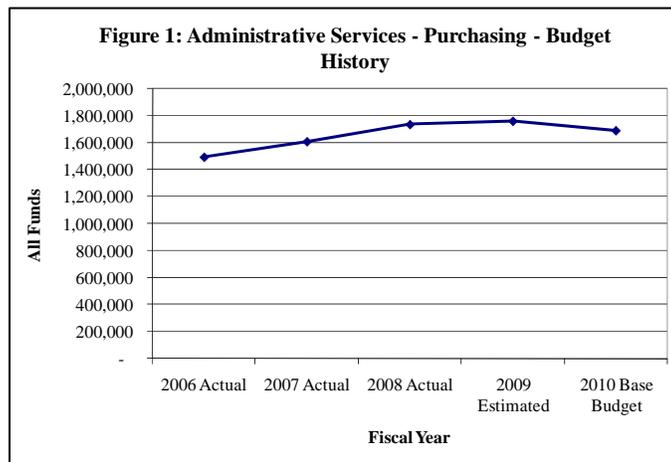
In 1997 the Legislature reorganized the Department of Administrative Services, merging Central Copying, Central Mail, and Central Stores into the Division of Purchasing and General Services. The procurement function that enables other agencies to contract for goods and services remains an appropriated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

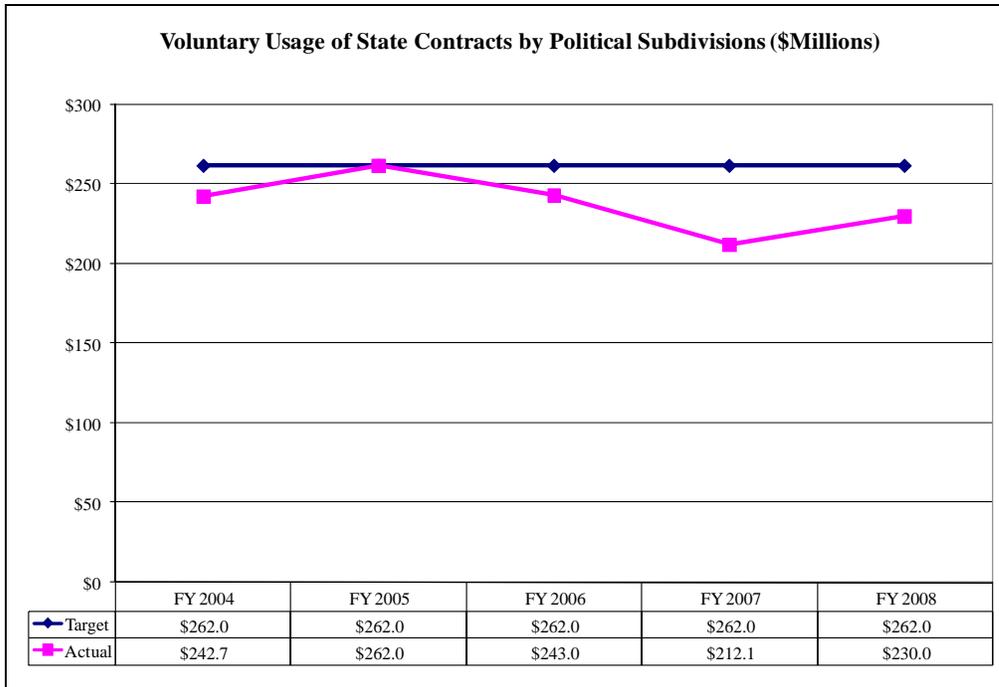
The division provides a centralized purchasing function for all state agencies. The Purchasing Program manages over 750 statewide contracts that are used by state agencies, education, and local governments, and oversees more than 2,000 agency contracts and more than 1,500 procurement processes per year.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

ACCOUNTABILITY DETAIL

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 for state agencies, but voluntary for political subdivisions. Thus political subdivision usage of the contracts is a barometer of whether the contracts provide best value.

Usage of state contracts by political subdivisions increased by 51 percent between FY 2002 and FY 2005, but has declined since. This may be an indication that the value of state purchasing contracts has been maximized.





BUDGET DETAIL

Dedicated Credits in this program are generated by contract management cost reimbursements. The division participates in and manages several multi-state contracts for the Western States Contracting Alliance (WSCA) – a contracting alliance of fifteen western states. Utah has the lead on data communications, small package delivery, and other types of contracts.

Nonlapsing Balance

The division requests that \$45,500 not lapse at the end of FY 2009. These funds will be used for the division’s eCommerce initiative that maintains an electronic bidding system for purchasing contracts:

- \$4,000 for system support
- \$3,000 for computer and office equipment for a new Research Analyst
- \$10,000 for new computer workstations to replace aging equipment
- \$28,500 for unspecified uses

Intent Language

The Analyst recommends the Legislature adopt the following supplemental intent language for Fiscal Year 2009:

Under terms of UCA 63G-1-402(3), the Legislature intends not to lapse Item 46, Chapter 2, or Item 33, Chapter 371, Laws of Utah 2007. Expenditure of these funds is limited to \$17,000 for system support (\$4,000) and computer and/or office equipment (\$13,000).

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. A total FY 2010 base appropriation of \$1,688,700 for the Division of Purchasing and General Services.
2. Intent language making the FY 2009 appropriation nonlapsing but limited to uses specified in the language.

BUDGET DETAIL TABLE

Administrative Services - Purchasing						
Sources of Finance	FY 2008 Actual	FY 2009 Appropriated	Changes	FY 2009 Revised	Changes	FY 2010* Base Budget
General Fund	1,627,000	1,680,700	(138,000)	1,542,700	0	1,542,700
General Fund, One-time	0	17,500	0	17,500	(17,500)	0
Dedicated Credits Revenue	105,100	86,500	66,000	152,500	(6,500)	146,000
Beginning Nonlapsing	47,600	30,600	14,900	45,500	(45,500)	0
Closing Nonlapsing	(45,500)	0	0	0	0	0
Total	\$1,734,200	\$1,815,300	(\$57,100)	\$1,758,200	(\$69,500)	\$1,688,700
Programs						
Purchasing and General Services	1,734,200	1,815,300	(57,100)	1,758,200	(69,500)	1,688,700
Total	\$1,734,200	\$1,815,300	(\$57,100)	\$1,758,200	(\$69,500)	\$1,688,700
Categories of Expenditure						
Personal Services	1,579,200	1,673,100	(114,700)	1,558,400	1,000	1,559,400
In-State Travel	1,400	1,200	200	1,400	0	1,400
Out of State Travel	3,000	5,300	(2,300)	3,000	0	3,000
Current Expense	80,500	56,800	(1,100)	55,700	(900)	54,800
DP Current Expense	70,100	78,900	60,800	139,700	(69,600)	70,100
Total	\$1,734,200	\$1,815,300	(\$57,100)	\$1,758,200	(\$69,500)	\$1,688,700
Other Data						
Budgeted FTE	21.5	23.0	-1.0	22.0	0.0	22.0
Actual FTE	20.9	0.0	0.0	0.0	0.0	0.0

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

Budget Brief: DAS Office of State Debt Collection

CAPITAL FACILITIES AND GOVERNMENT OPERATIONS

FY 2010

SUMMARY

The Office of State Debt Collection (OSDC) was established in 1995. It is a restricted special revenue fund. The division's primary responsibility is to contract with private vendors to assist in collection of outstanding debt.

This program was an internal service fund (ISF) from FY 1996 to FY 2006. In reality, however, it operated differently than other ISF agencies. Whereas other ISFs provide general services to other state agencies; the OSDC collects past due bills for other agencies, but charges its fees to debtors rather than customer agencies. To recognize the difference, the 2006 Legislature passed S.B. 214, *Office of State Debt Collection Amendments* (2006 G.S.), making this program a Restricted Special Revenue Fund.

ISSUES AND RECOMMENDATIONS

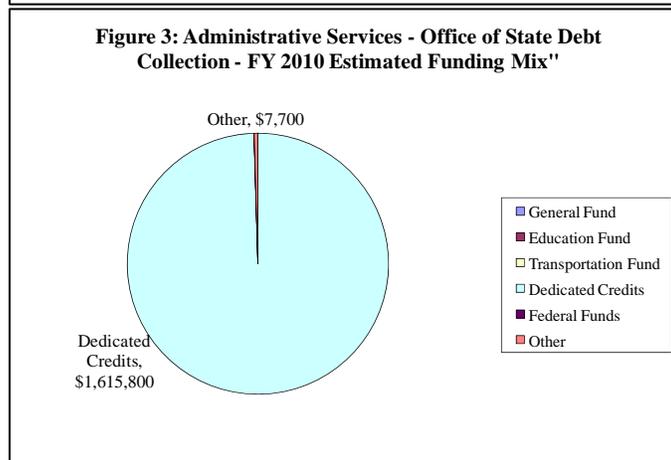
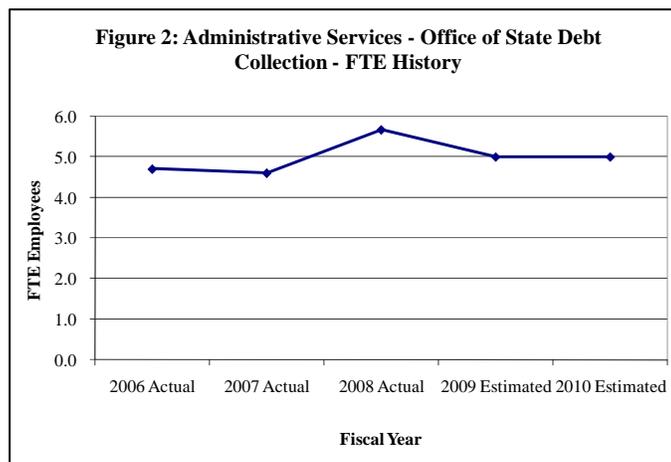
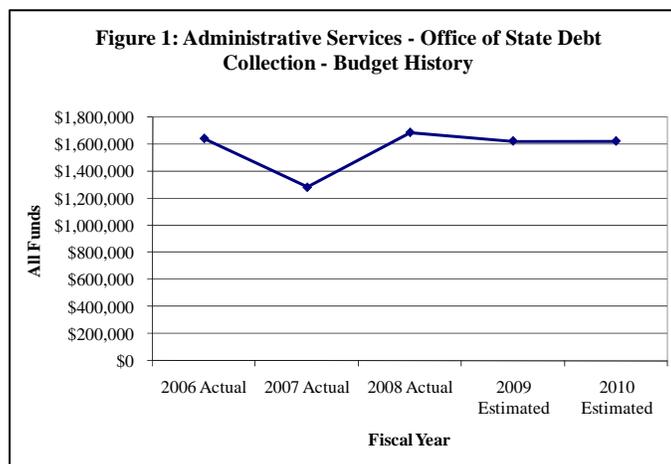
What are "Restricted Special Revenue Funds"?

Restricted Special Revenue Funds (RSRFs) are one of twelve major fund types in state government (see UCA 51-5-4). Essentially, RSRFs are funds created by legislation that:

1. Identifies specific revenue sources such as fees, taxes, donations, federal funds, etc.
2. Defines the use of the money for a specific function of government, and
3. Delegates spending authority over the fund's assets to a board, department, or other officials.

Unlike other state fund types, RSRFs are not subject to annual legislative appropriations. However, they are subject to annual legislative review by the relevant appropriations subcommittee. The Legislature may choose to take action based upon its review.

The State Debt Collection Fund is established in UCA 63A-8-301 and consists of any appropriations that may be made to it, fees and interest established by the OSDC, and all post-judgment interest collected by the office excluding interest on restitution. The office is required to report annually on the fund balance, revenues, expenditures, and administrative costs.



ACCOUNTABILITY DETAIL

Deposits into the General Fund

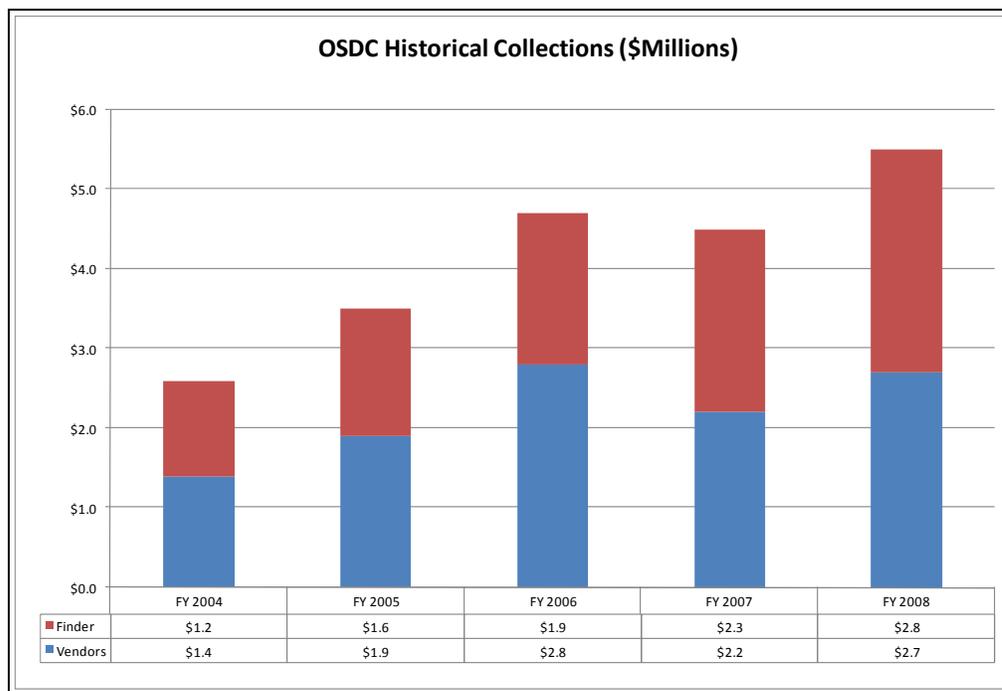
Statute requires OSDC to “ensure that monies remaining in the fund at the end of the fiscal year that are not committed [to the office’s statutory mandate] are deposited into the General Fund” (UCA 63A-8-301). This requirement existed when OSDC was an internal service fund and remains today in the restricted special revenue fund. Exactly what constitutes a “commitment” is not defined, making compliance difficult to gauge. The following table shows the actual amounts returned to the General Fund and amounts kept as retained earnings since FY 2002:

	General Fund Deposits	Retained Earnings Kept
FY 2002	\$350,000	\$639,800
FY 2003	\$667,100	\$206,000
FY 2004	\$50,000	\$236,100
FY 2005	\$50,000	\$399,600
FY 2006	\$0	\$941,600
FY 2007	\$0	\$1,411,100
FY 2008	\$500,000	\$1,450,000
FY 2009 Est.	\$1,250,000	\$200,000

In FY 2006 and FY 2007 the office opted not to transfer any money to the General Fund even though its fund balance was much higher than usual. By the end of FY 2007 the OSDC fund balance reached \$1,411,100 which represents almost a year’s worth of reserves. Though OSDC is no longer an ISF, the standard amount of retained earnings allowed by federal auditors is sixty days’ worth of reserves. In order to decrease the fund balance to a more appropriate level, the Subcommittee reallocated \$500,000 from the State Debt Collection Fund in FY 2008 and FY 2009 to other Subcommittee priorities. In FY 2009 the Legislature appropriated an additional \$750,000 from the State Debt Collection Fund to the General Fund.

Historical Collections

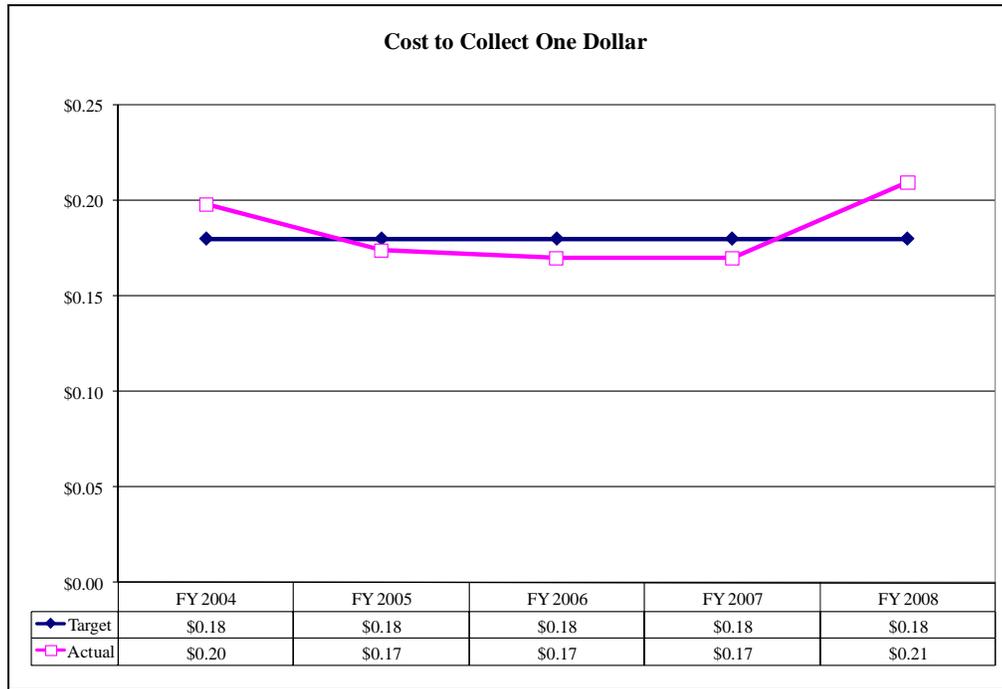
The state’s historical collections numbers show the effectiveness of collection practices by the division and its third-party vendors.



Approximately half of all collections are made by the OSDC’s private vendors, many of whom are the same vendors used by the Tax Commission. In total OSDC continues to collect more dollars than in previous years. In FY 2007, the decline in collections may largely be attributed to the termination of a contract with one of OSDC’s two collection vendors due to contract issues; which decreased collections for a period of time until new vendors came online. The decrease in Vendor collections was partially offset by higher Income Tax Garnishments.

Cost to Collect One Dollar

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



BUDGET DETAIL

No appropriation is necessary for this restricted special revenue fund. The following information is provided to assist the appropriations subcommittee in meeting its requirement to annually review the fund balance, revenues and expenditures of the program.

Fees

In accordance with UCA 63J-1-303, the following fees are charged by the Office of State Debt Collection:

	FY 2009 Current	FY 2010 Proposed	Difference	FY 2010 # Units	Revenue Change
Post Judgment Interest: Rate established by federal government on January 1 each year					
Collection Penalty	5.0%	5.0%			
Administrative Collection Fee	14.0%	14.0%			
Collection Interest: Per 63A-8-201(4)(g), on July 1 of the new fiscal year, a rate not to exceed Prime plus	2.0%	2.0%			

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. Fees as shown above

BUDGET DETAIL TABLE

Administrative Services - Office of State Debt Collection						
	FY 2008	FY 2009*		FY 2009*		FY 2010*
Sources of Finance	Actual	Estimated	Changes	Estimated	Changes	Estimated
Dedicated Credits Revenue	975,000	926,300	0	926,300	0	926,300
Licenses/Fees	8,100	7,700	0	7,700	0	7,700
Interest Income	719,400	683,400	0	683,400	0	683,400
Other Financing Sources	(16,300)	6,100	0	6,100	0	6,100
Total	\$1,686,200	\$1,623,500	\$0	\$1,623,500	\$0	\$1,623,500
Programs						
ISF - Debt Collection	1,686,200	1,623,500	0	1,623,500	0	1,623,500
Total	\$1,686,200	\$1,623,500	\$0	\$1,623,500	\$0	\$1,623,500
Categories of Expenditure						
Personal Services	400,800	506,500	0	506,500	0	506,500
Out of State Travel	4,200	6,200	0	6,200	0	6,200
Current Expense	604,000	833,800	0	833,800	58,700	892,500
DP Current Expense	138,200	152,000	0	152,000	15,200	167,200
Total	\$1,147,200	\$1,498,500	\$0	\$1,498,500	\$73,900	\$1,572,400
Other Data						
Budgeted FTE	5.0	5.0	0.0	5.0	0.0	5.0
Actual FTE	5.7	0.0	0.0	0.0	0.0	0.0
Retained Earnings	1,450,000	950,000	0	950,000	(750,000)	200,000

*This program is not appropriated funds by the Legislature, but is given authority to expend from collections