



# Budget Brief: DAS General Services (ISF)

**SUMMARY**

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.

The programs in this line item include:

- Administration
- Central Mailing
- Electronic Purchasing
- Print Services

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

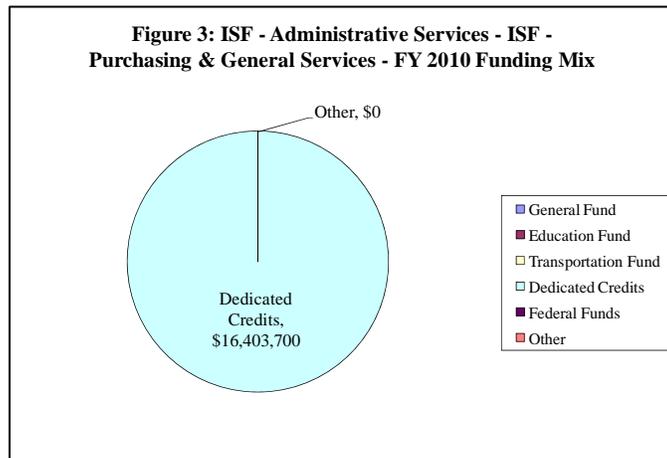
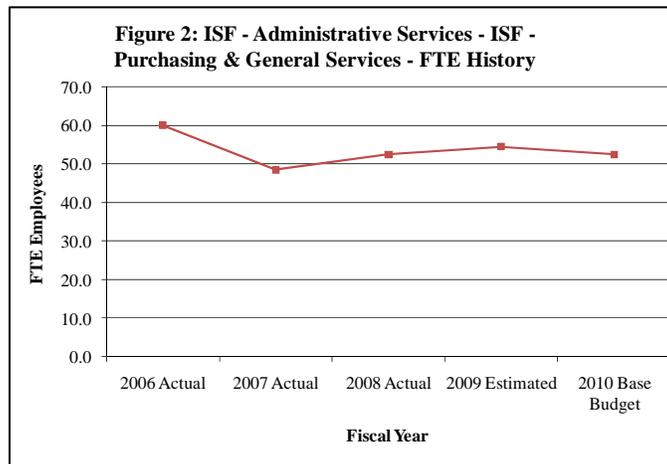
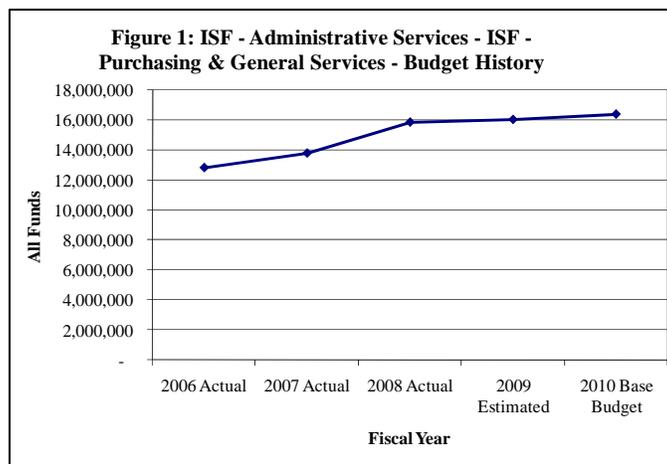
**ISSUES AND RECOMMENDATIONS**

*Print Services Retained Earnings*

In response to legislative concerns, several years ago the division consolidated printing operations and reduced equipment in an effort to reverse losses in retained earnings. However, the division was unable to reduce its debt. In FY 2006 the division contracted with Xerox to operate high speed copying and finishing service centers, though the program is still managed by the division. The following table shows retained earnings since FY 2003:

FY 2003	(\$1,067,400)
FY 2004	(\$1,164,600)
FY 2005	(\$1,364,900)
FY 2006	(\$1,286,700)
FY 2007	(\$1,194,300)
FY 2008	(\$ 919,700)

The program has improved since FY 2005 and has made the goal to eliminate its negative retained earnings, General Fund debt, and deficit working capital within five years. The program's rates include a \$0.005 per page debt-elimination fee.



**ACCOUNTABILITY DETAIL**

**Central Mailing – Tasks Performed per Man Hour**

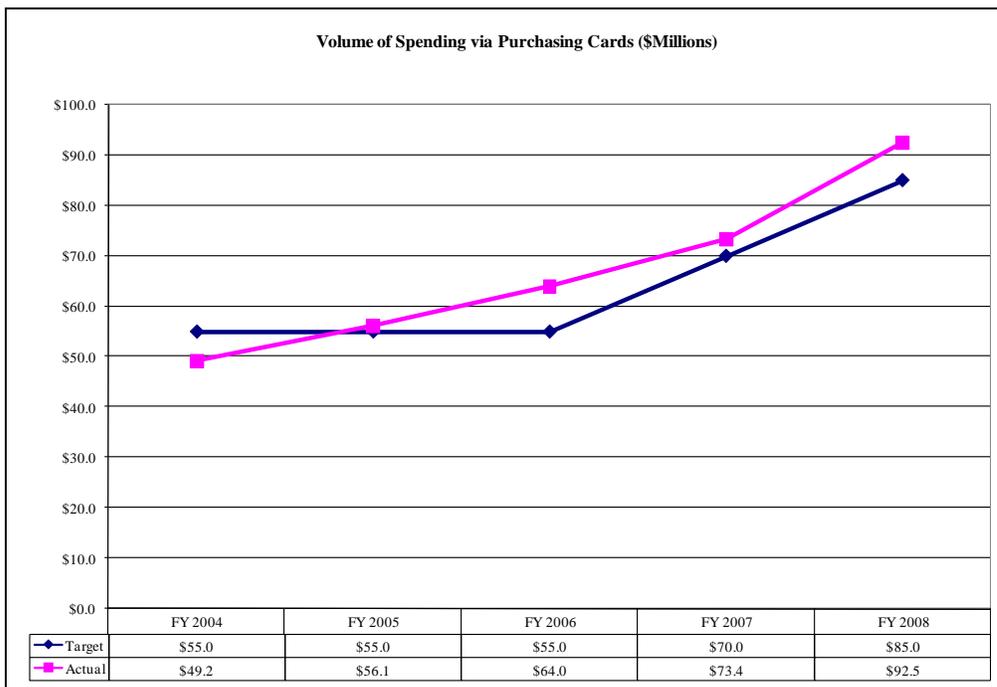
State Mail Services is primarily a production environment. Efficiency can be measured by calculating the number of tasks performed per hour.



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 with billing information. The division has a target of 1,100 per hour.

**Volume of Spending via Purchasing Cards**

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



**BUDGET DETAIL**

Because the Administration program passes all of its expenditures through to the other three programs, its total budget is zero and it doesn't appear in the Budget Detail Table on page 4. Estimated FY 2010 costs are \$381,800.

***Capital Outlay Authority Request***

The ISF requests capital outlay authority of \$2,679,700 for FY 2010 for the following purposes:

- \$2,359,700 for replacement copiers (on a five year replacement cycle) for the Digital Copier Services (Print Services) program. The majority of departments within state government subscribes to this service for their self-service copier needs which has reduced costs by matching copiers with needs and provides continuous support to subscribers. The service replaces copiers when the economic capacity is depleted (based on impressions) or when the equipment has reached five years old. The five year replacement schedule optimizes changing technology, serviceability, maintenance costs, manufacturer's guarantee, changes in state agency programs, and number of impressions.
- \$320,000 for the following equipment to improve efficiency in the Mail Services division:
  - \$160,000 for BoweONE Tracking Software
  - \$70,000 for a forklift
  - \$20,000 for a banding machine
  - \$70,000 for furnishings for a new building

**LEGISLATIVE ACTION**

The Analyst recommends the Legislature consider adopting:

1. Estimated revenues of \$16,403,700 for the General Services ISF in FY 2010
2. Rates as presented separately in an Issue Brief
3. Base FTEs of 52.5
4. Authorized Capital Outlay of \$2,679,700 to be used if needed for self-service copiers (\$2,359,700) and mail equipment (\$320,000).

**BUDGET DETAIL TABLE****ISF - Administrative Services - ISF - Purchasing & General Services**

<b>Sources of Finance</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Appropriated</b>	<b>Changes</b>	<b>FY 2009 Revised</b>	<b>Changes</b>	<b>FY 2010* Base Budget</b>
Dedicated Credits - Intragvt Rev	15,921,300	14,233,000	1,814,700	16,047,700	356,000	16,403,700
Sale of Fixed Assets	(50,100)	0	0	0	0	0
<b>Total</b>	<b>\$15,871,200</b>	<b>\$14,233,000</b>	<b>\$1,814,700</b>	<b>\$16,047,700</b>	<b>\$356,000</b>	<b>\$16,403,700</b>
<b>Programs</b>						
ISF - Central Mailing	11,821,500	10,210,000	1,611,500	11,821,500	0	11,821,500
ISF - Electronic Purchasing	541,900	480,700	61,200	541,900	0	541,900
ISF - Print Services	3,507,800	3,542,300	142,000	3,684,300	356,000	4,040,300
<b>Total</b>	<b>\$15,871,200</b>	<b>\$14,233,000</b>	<b>\$1,814,700</b>	<b>\$16,047,700</b>	<b>\$356,000</b>	<b>\$16,403,700</b>
<b>Categories of Expenditure</b>						
Personal Services	2,611,200	2,584,800	162,900	2,747,700	200	2,747,900
In-State Travel	14,900	4,800	10,100	14,900	0	14,900
Out of State Travel	4,500	2,800	1,700	4,500	0	4,500
Current Expense	11,886,400	10,163,500	1,718,400	11,881,900	0	11,881,900
DP Current Expense	65,300	74,800	(9,500)	65,300	0	65,300
DP Capital Outlay	0	0	0	0	(381,800)	(381,800)
Other Charges/Pass Thru	(88,200)	(383,000)	184,800	(198,200)	261,900	63,700
Depreciation	1,683,300	1,936,500	(109,900)	1,826,600	370,700	2,197,300
<b>Total</b>	<b>\$16,177,400</b>	<b>\$14,384,200</b>	<b>\$1,958,500</b>	<b>\$16,342,700</b>	<b>\$251,000</b>	<b>\$16,593,700</b>
<b>Other Data</b>						
Budgeted FTE	52.5	54.5	0.0	54.5	(2.0)	52.5
Actual FTE	46.2	0.0	0.0	0.0	0.0	0.0
Authorized Capital Outlay	1,757,300	3,193,600	0	3,193,600	(513,900)	2,679,700
Retained Earnings	1,143,000	1,088,300	(240,300)	848,000	(190,200)	657,800
Vehicles	14.0	15.0	(1.0)	14.0	0.0	14.0

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