



Budget Brief: DAS Facilities Management (ISF)

SUMMARY

The internal service fund (ISF) within the Division of Facilities, Construction, and Management (DFCM) provides building maintenance, management and preventive services to its state agency subscribers. The ISF performs maintenance and services such as janitorial, security, grounds maintenance, heating/air conditioning repair, utility payments, and so on, to resolve each building’s specific maintenance concerns in a timely and cost effective manner.

The ISF also coordinates small building construction projects that may be required by various agencies on a cost-reimbursement basis.

Services of the DFCM ISF are optional. Currently DFCM contracts with agencies to provide services in about 190 owned and leased facilities throughout the state. By Building Board policy, however, if an agency not using DFCM fails to meet maintenance standards, DFCM must take whatever action is necessary to rectify the situation.

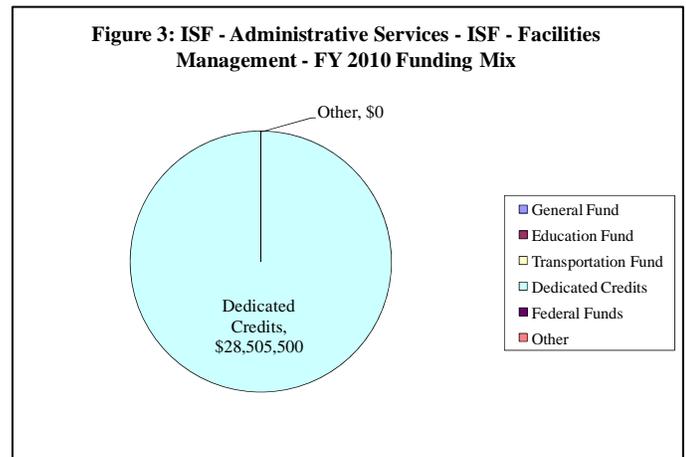
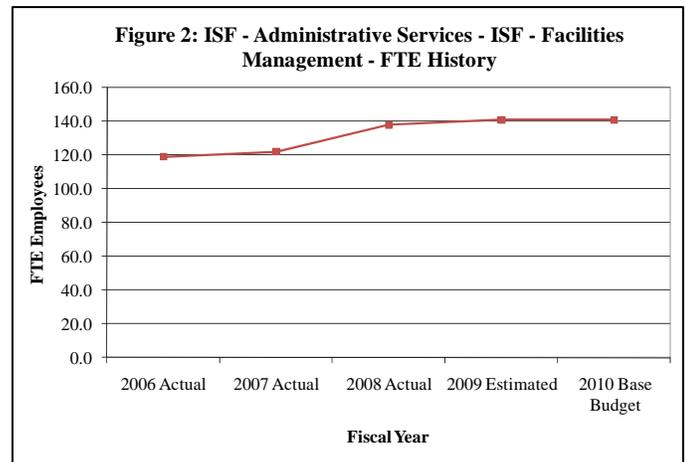
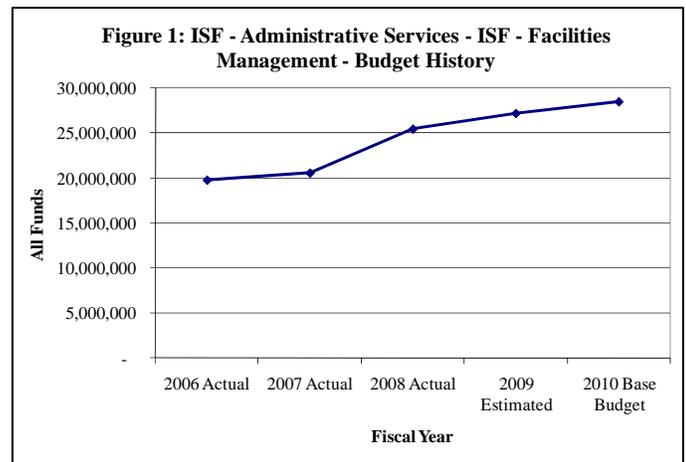
ISSUES AND RECOMMENDATIONS

Rate Increases/Decreases

DFCM charges agencies rates that are calculated based on the projected expenses associated with each building program for the coming year. If DFCM collects more revenue than is necessary to pay the operating expenses for the building maintenance, then the excess amount stays in the account as retained earnings which are then used in the next year to reduce the rate. For FY 2010, DFCM will need to increase the rate for 16 buildings in order to cover utility increases. The Analyst recommends the Legislature authorize the rate increases/decreases as presented in the Issue Brief.

Rate adjustments

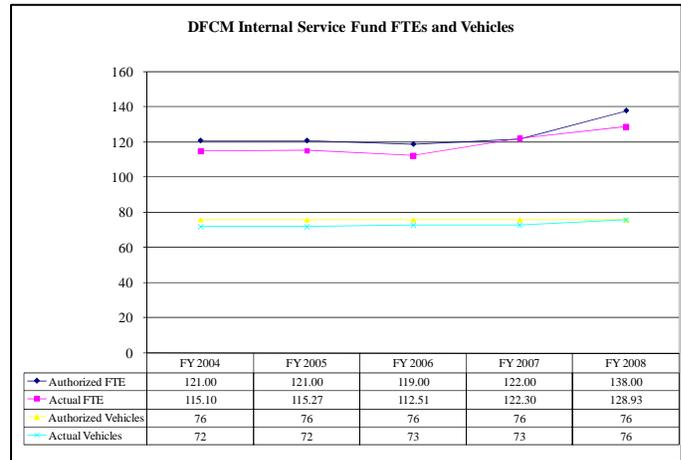
In addition to the rate increases/decreases mentioned above, the St. George Courthouse and Salt Lake multi-agency building in Salt Lake City are anticipated to come online in FY 2010, which requires two rate additions for the new buildings and two rate reductions for the old St. George Courts building and DHS North Temple buildings. Furthermore, several ABC buildings are scheduled to come online in FY 2010. In addition, eleven programs require an adjustment for FY 2009 due to scope changes or new locations recently brought into the ISF program. The Analyst recommends the Legislature authorize the rate adjustments as displayed in the Issue Brief.



Intent Language Result

Since FY 1999 the Legislature has approved intent language allowing DFCM to add up to three FTE and/or up to two vehicles if new buildings or service level agreements come on line during the Interim, subject to legislative approval in the next session. The chart at right shows actual versus authorized FTE and vehicles.

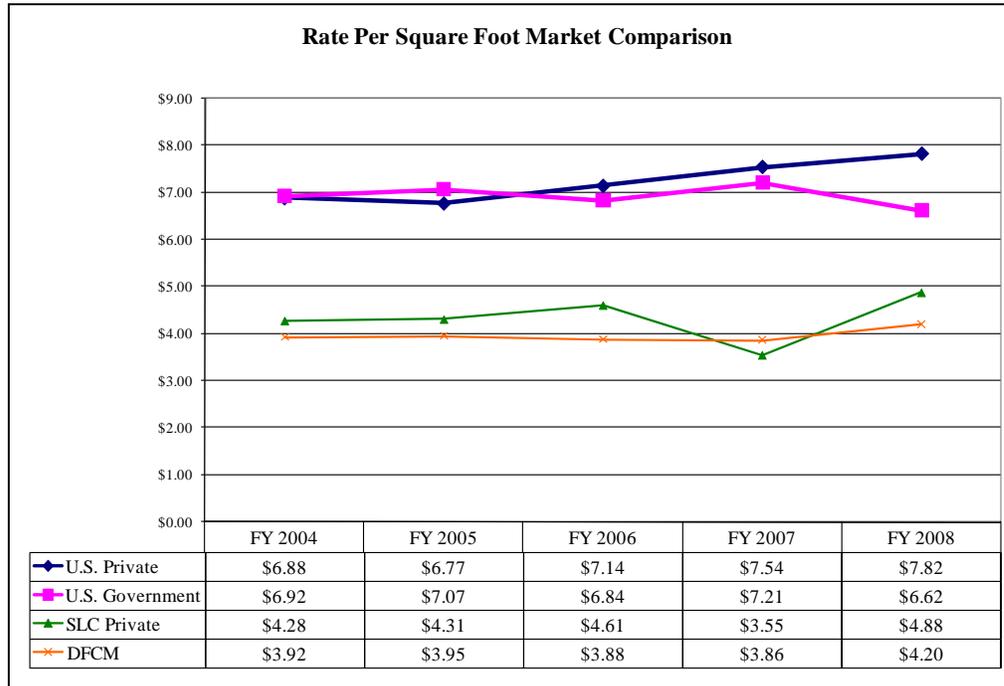
The Analyst recommends the Legislature continue authorizing the intent language (see page 3) with the stipulation that DFCM notify the CFAS co-chairs before adding any vehicles or FTEs above the authorized level.



ACCOUNTABILITY DETAIL

Per Square Foot Costs

At an average of \$4.2 per square foot in FY 2008, DFCM maintenance rates were about 63 percent less than the rates paid by federal agencies and are lower than national private and local private rates.



Data comes from the annual publication of BOMA (Building Owners and Managers Association) International. 2006 is the last year for which BOMA data are available.

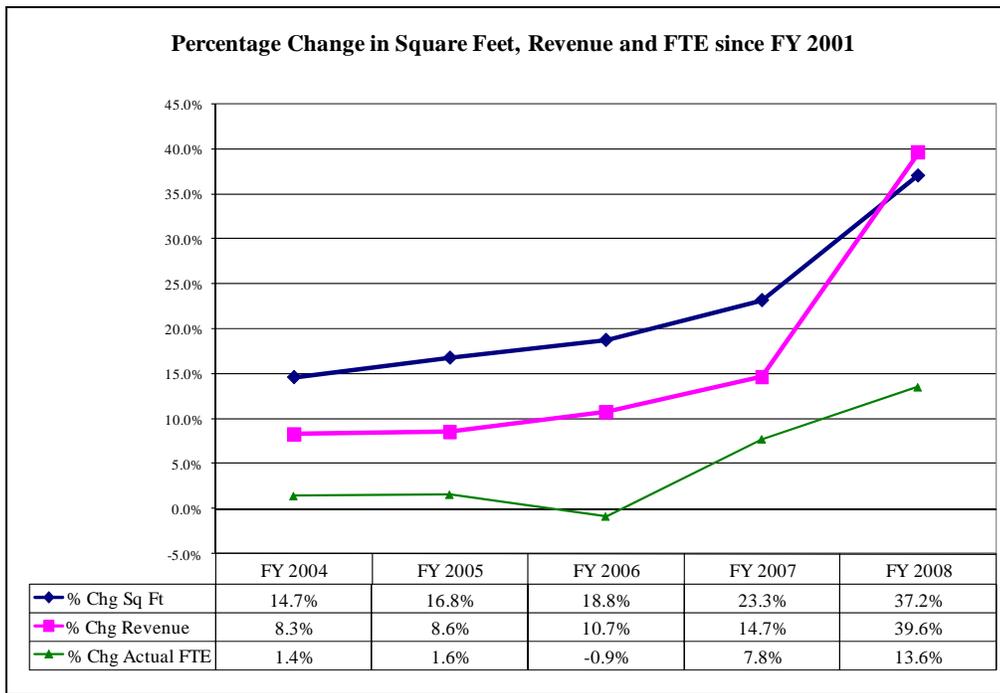
Customer Satisfaction

The division has a target of 90 percent customer satisfaction. Actual results are:

- FY 2004 82%
- FY 2005 85%
- FY 2006 84%
- FY 2007 85%
- FY 2008 83%

Percentage Growth in Square Feet, Revenue, and FTE

DFCM’s growth in FTE and revenue (compared to FY 2001) has typically been lower than its growth in square footage managed.



BUDGET DETAIL

Capital Outlay Authority

DFCM requests capital outlay authority of \$62,500 for FY 2010 for the following:

- \$15,000 for two Gravely-type lawn mowers
- \$15,000 for two 48” walk-behind mowers
- \$7,500 for a Quad runner ATV with plow
- \$25,000 for contingency needs

Intent Language

DFCM requests an additional vehicle in FY 2009 to handle the unexpected maintenance responsibilities of buildings for the Utah Navajo Royalties Fund. Funding for this request will be obtained through revenue collected from the Utah Navajo Royalties Fund. The Analyst recommends the following intent language:

It is the intent of the Legislature that the DFCM internal service fund may add one vehicle for the purpose of handling maintenance responsibilities for the Utah Navajo Royalties Fund.

The Analyst recommends the Legislature continue using the following intent language with the stipulation that DFCM notify the CFGO co-chairs before adding any vehicles or FTEs above the authorized level.

It is the intent of the Legislature that the DFCM 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.

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. Estimated revenues of \$28,505,500 for the DFCM ISF
2. Rates as presented separately in the Issue Brief
3. Base authorized FTE level of 141.0
4. Authorized Capital Outlay of \$62,500
5. Intent Language authorizing the division to add up to three FTE and two vehicles, subject to notification of the co-chairs and legislative approval in the next general session; and one vehicle for the Utah Navajo Royalties Fund.

BUDGET DETAIL TABLE

| ISF - Administrative Services - ISF - Facilities Management | | | | | | |
|--|---------------------------|---------------------------------|--------------------|----------------------------|--------------------|---------------------------------|
| Sources of Finance | FY 2008 Actual | FY 2009 Appropriated | Changes | FY 2009 Revised | Changes | FY 2010* Base Budget |
| Interest Income | 300 | 0 | 0 | 0 | 0 | 0 |
| Dedicated Credits - Intragvt Rev | 25,469,300 | 26,352,800 | 858,200 | 27,211,000 | 1,294,500 | 28,505,500 |
| Total | \$25,469,600 | \$26,352,800 | \$858,200 | \$27,211,000 | \$1,294,500 | \$28,505,500 |
| Programs | | | | | | |
| ISF - Facilities Management | 25,469,600 | 26,352,800 | 858,200 | 27,211,000 | 1,294,500 | 28,505,500 |
| Total | \$25,469,600 | \$26,352,800 | \$858,200 | \$27,211,000 | \$1,294,500 | \$28,505,500 |
| Categories of Expenditure | | | | | | |
| Personal Services | 7,835,000 | 7,786,300 | 561,400 | 8,347,700 | 122,000 | 8,469,700 |
| In-State Travel | 27,900 | 21,500 | 5,400 | 26,900 | (300) | 26,600 |
| Out of State Travel | 7,300 | 16,800 | (9,500) | 7,300 | 0 | 7,300 |
| Current Expense | 17,242,800 | 16,962,400 | 2,081,000 | 19,043,400 | 375,400 | 19,418,800 |
| DP Current Expense | 401,300 | 445,100 | (31,100) | 414,000 | (1,000) | 413,000 |
| Other Charges/Pass Thru | 214,500 | 213,200 | 0 | 213,200 | 63,300 | 276,500 |
| Operating Transfers | 3,100 | 0 | 20,100 | 20,100 | (20,100) | 0 |
| Depreciation | 40,200 | 48,400 | (4,600) | 43,800 | (3,700) | 40,100 |
| Total | \$25,772,100 | \$25,493,700 | \$2,622,700 | \$28,116,400 | \$535,600 | \$28,652,000 |
| Other Data | | | | | | |
| Budgeted FTE | 138.0 | 141.0 | 0.0 | 141.0 | 0.0 | 141.0 |
| Actual FTE | 128.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Authorized Capital Outlay | 39,500 | 56,200 | 0 | 56,200 | 6,300 | 62,500 |
| Retained Earnings | (136,000) | 1,491,200 | (2,532,600) | (1,041,400) | (146,500) | (1,187,900) |
| Vehicles | 76.0 | 76.0 | (1.0) | 75.0 | 0.0 | 75.0 |

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