



Issue Brief: DAS and DHRM Internal Service Fund Rate Impacts

CAPITAL FACILITIES AND GOVERNMENT OPERATIONS

BB: DAS ISF SUMMARY

SUMMARY OF RATE CHANGES

The Department of Administrative Services (DAS) operates four internal service funds (ISF) that provide services to other state agencies – Division of Facilities, Construction and Management; Risk Management; Fleet Operations; and General Services. The Department of Human Resource Management operates one ISF that charges rates for human resource services. The following subsections briefly describe rate changes for FY 2010 for these ISF. More information is available in the budget briefs associated with each internal service fund.

Division of Facilities Construction and Mgt.

This ISF provides building maintenance and management to over 190 state facilities. Each year the division analyzes the services provided to each building and determines if a rate adjustment is necessary. The rates are unique to each building and are based on current maintenance and utility costs. For FY 2010 the division requests a rate increase for sixteen buildings to cover increased labor and utility expenses.

In addition to the rate increases described above, the division anticipates making several adjustments in FY 2009 and 2010 for new locations being added to the ISF including the new St. George Courthouse and Salt Lake Government Building.

Fleet Operations

In FY 2010 the Analyst recommends increasing the replacement mileage for vehicles operated by the Division of Fleet Operations from 90,000 miles to 105,000. This will result in a \$1.8 million ongoing decrease to state agencies and a \$0.5 million onetime decrease to agencies in FY 2009 if implemented by the end of the session. The Division currently replaces vehicles when they reach 90,000 miles. By increasing the number of miles for replacement to 105,000 the Division can charge agencies less per month for vehicle usage because the vehicles will need replacement less often.

Risk Management

Liability rates are recommended by an actuary based on claims information sent by the division at the end of each fiscal year. Each year the actuary determines whether the fund is actuarially sound and whether reserves need to be increased or decreased. In FY 2010, the liability rates stayed the same overall, but were adjusted for each agency based on loss history and budget allocations. The total rate impact to state agencies in FY 2010 will be a \$79,300 decrease.

Property insurance rates are requested to increase 19% which would result in \$1,061,800 of increased rates to state agencies and higher education. These rate increases are a result of new, increased replacement costs for insured buildings and updated property insurance rates.

The Workers Compensation rates for FY 2010 will decrease 11 percent for the State and 20 percent for UDOT; which will result in almost \$1 million in savings to the State. These rates, however, will be reflected as compensation adjustments rather than internal service fund rates.

Dept. of Human Resource Management

In FY 2010 the Department of Human Resource Management proposes to reduce rates by 9% overall including a 6% decrease in the Human Resource rate and a 35% decrease in the Payroll rate. The result of these rate decreases will equate to \$843,200 of savings to state agencies. Included in these rate reductions are the elimination of six FTE positions and the internal funding of the FY 2009 compensation package that included a 5% Cost-of-Living-Adjustment and health increases.

The following table shows the impact of the recommended Internal Service Fund (ISF) rate changes for the Department of Administrative Services (DAS) and the Department of Human Resource Management (DHRM) on state agencies as described in page one of this brief.

	<u>DFCM</u>	<u>DHRM</u>	<u>Fleet</u>	<u>Risk Liability</u>	<u>Risk Property</u>	<u>Grand Total</u>	<u>State Funds</u>	<u>Other Funds</u>	<u>Grand Total</u>
Capital Facilities & Government Operations	400	(14,100)	(6,400)	2,000	10,600	(7,500)	(9,100)	1,600	(7,500)
Administrative Services	400	(10,100)	(6,400)	(3,100)	1,500	(17,700)	(15,400)	(2,300)	(17,700)
Capitol Preservation Board	0	2,800	0	1,100	9,100	13,000	9,100	3,900	13,000
Career Service Review Board	0	(100)	0	0	0	(100)	(100)	0	(100)
Human Resource Management	0	(6,700)	0	4,000	0	(2,700)	(2,700)	0	(2,700)
Commerce & Workforce Services	494,400	(86,400)	(71,100)	(38,600)	6,300	304,600	(4,100)	308,700	304,600
Alcoholic Beverage Control	337,200	(18,200)	(3,600)	3,600	4,600	323,600	0	323,600	323,600
Department of Commerce	0	(17,600)	(11,100)	(6,100)	0	(34,800)	0	(34,800)	(34,800)
Financial Institutions	0	(1,400)	0	100	0	(1,300)	0	(1,300)	(1,300)
Insurance	0	(6,000)	(6,100)	5,900	0	(6,200)	(100)	(6,100)	(6,200)
Labor Commission	0	(2,700)	(7,000)	(3,000)	100	(12,600)	(10,200)	(2,400)	(12,600)
Public Service Commission	0	(400)	0	(1,100)	0	(1,500)	0	(1,500)	(1,500)
State Board of Education	15,500	0	(12,100)	0	0	3,400	(900)	4,300	3,400
Workforce Services	141,700	(40,100)	(31,200)	(38,000)	1,600	34,000	7,100	26,900	34,000
Economic Development and Revenue	68,200	(55,200)	(34,000)	(12,000)	700	(32,300)	(8,900)	(23,400)	(32,300)
Community and Culture	57,300	(13,900)	(4,400)	3,000	600	42,600	43,000	(400)	42,600
Economic Development	0	0	(1,200)	(1,700)	100	(2,800)	(2,800)	0	(2,800)
Sports Authority	0	(100)	0	0	0	(100)	(100)	0	(100)
Tax Commission	10,900	(48,200)	(28,400)	(6,500)	0	(72,200)	(49,200)	(23,000)	(72,200)
USTAR	0	7,000	0	(6,800)	0	200	200	0	200
Executive Offices & Criminal Justice	132,200	(113,800)	(874,600)	(17,000)	47,600	(825,600)	(810,600)	(15,000)	(825,600)
Attorney General	2,300	0	(12,900)	(1,800)	0	(12,400)	(8,300)	(4,100)	(12,400)
Board of Pardons and Parole	0	(2,300)	(1,900)	(9,200)	4,400	(9,000)	(9,000)	0	(9,000)
Corrections	66,400	(46,300)	(177,700)	(50,800)	36,600	(171,800)	(148,600)	(23,200)	(171,800)
Courts	0	0	(44,100)	(10,800)	0	(54,900)	(52,800)	(2,100)	(54,900)
Governor's Office	0	(5,400)	(3,300)	(16,400)	0	(25,100)	(24,000)	(1,100)	(25,100)
Juvenile Justice Services	0	0	(48,300)	0	300	(48,000)	(47,200)	(800)	(48,000)
Public Safety	63,500	(56,400)	(585,100)	71,200	6,300	(500,500)	(518,300)	17,800	(500,500)
State Auditor	0	(2,400)	(1,000)	900	0	(2,500)	(1,700)	(800)	(2,500)
State Treasurer	0	(1,000)	(300)	(100)	0	(1,400)	(700)	(700)	(1,400)
Health & Human Services	118,000	(372,300)	(118,200)	64,900	1,200	(306,400)	(204,200)	(102,200)	(306,400)
Health	11,600	(28,500)	(20,300)	(28,200)	1,200	(64,200)	(33,600)	(30,600)	(64,200)
Human Services	106,400	(343,800)	(97,900)	93,100	0	(242,200)	(170,600)	(71,600)	(242,200)
Higher Education	91,600	(400)	(44,900)	(41,000)	805,800	811,100	577,300	233,800	811,100
College of Eastern Utah	0	0	(4,000)	1,500	0	(2,500)	(2,100)	(400)	(2,500)
Dixie State College	0	0	(1,100)	2,500	24,400	25,800	19,900	5,900	25,800
Salt Lake Community College	0	0	0	8,400	58,100	66,500	46,300	20,200	66,500
Snow College	0	0	(6,700)	8,300	12,000	13,600	10,500	3,100	13,600
Southern Utah University	0	0	(13,300)	4,400	22,200	13,300	9,200	4,100	13,300
State Board of Regents	0	0	0	1,700	100	1,800	1,700	100	1,800
University of Utah	0	0	(8,600)	(119,300)	494,800	366,900	277,400	89,500	366,900
Utah College of Applied Technology	38,900	0	(4,200)	2,500	19,900	57,100	49,500	7,600	57,100
Utah State University	52,700	0	(3,600)	28,700	111,300	189,100	115,100	74,000	189,100
Utah Valley University	0	0	(500)	9,700	45,200	54,400	32,700	21,700	54,400
Weber State University	0	0	(200)	10,400	17,800	28,000	20,000	8,000	28,000
Medical Education Council	0	(400)	0	200	0	(200)	(200)	0	(200)
Utah Education Network	0	0	(2,700)	0	0	(2,700)	(2,700)	0	(2,700)
Legislature	0	0	0	800	100	900	900	0	900
Legislature	0	0	0	800	100	900	900	0	900
Natural Resources	0	(47,700)	(395,300)	48,900	18,800	(375,300)	(122,300)	(253,000)	(375,300)
Agriculture	0	(7,900)	(50,400)	(5,200)	0	(63,500)	(37,600)	(25,900)	(63,500)
Natural Resources	0	(37,000)	(329,100)	55,000	18,500	(292,600)	(84,200)	(208,400)	(292,600)
Public Lands Office	0	(600)	(1,500)	0	100	(2,000)	(500)	(1,500)	(2,000)
School & Institutional Trust Lands	0	(2,200)	(14,300)	(900)	200	(17,200)	(17,200)	0	(17,200)
Public Education	79,000	(68,900)	(32,200)	(3,200)	1,100	(24,200)	42,400	(66,600)	(24,200)
State Board of Education	79,000	(68,900)	(32,200)	(3,200)	1,100	(24,200)	42,400	(66,600)	(24,200)
Transportation & Environmental Quality	23,300	(84,400)	(250,100)	(84,100)	169,600	(225,700)	(50,300)	(175,400)	(225,700)
Environmental Quality	300	(26,300)	(26,500)	(5,000)	0	(57,500)	(35,600)	(21,900)	(57,500)
National Guard	0	(16,900)	(4,600)	(600)	13,700	(8,400)	(15,700)	7,300	(8,400)
Transportation	23,000	(42,900)	(218,500)	(78,300)	155,900	(160,800)	0	(160,800)	(160,800)
Veterans' Affairs	0	1,700	(500)	(200)	0	1,000	1,000	0	1,000
Grand Total	1,007,100	(843,200)	(1,826,800)	(79,300)	1,061,800	(680,400)	(588,900)	(91,500)	(680,400)

* These rate impacts are estimates. Actual rate impacts will be included in a Supplemental FY 2010 Appropriations Bill.