

Budget Brief: DHS – Internal Service Funds

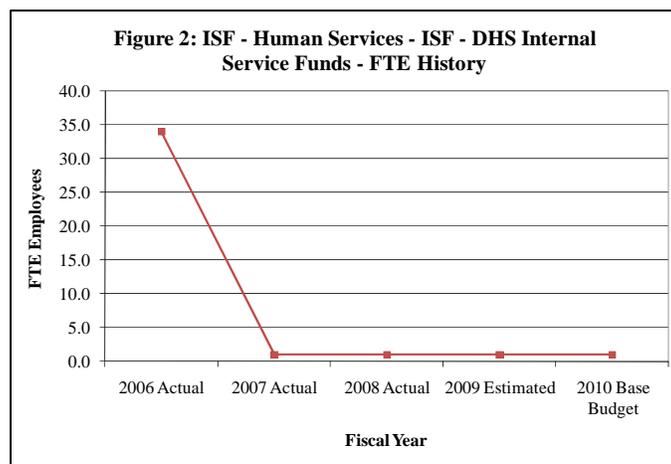
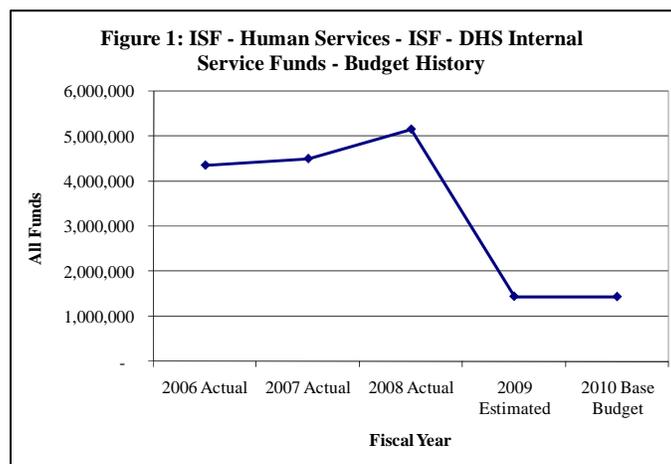
DEPARTMENT OF HUMAN SERVICES INTERNAL SERVICE FUNDS

The Department of Human Services operates two internal service funds (ISF) that provide services to the department.

General Services collects funds from the divisions for building maintenance and rent for the department’s main office in Salt Lake City.

Data Processing is an account used to distribute cost for programming services. With the passage of House Bill 109, *Information Technology Governance Amendments* (2005 General Session), data processing was consolidated into the Department of Technology Services. This consolidation included the transfer of 33 full time equivalent (FTE) employees from this internal service fund to the new department.

For additional information on the Executive Director Operations, please refer to the Compendium of Budget Information for the 2009 General Session found at <http://le.utah.gov/lfa/reports/cobi2009/cobi2009.htm>.



ISSUES

Base Budget Adoption

Adoption of the base budget enables the programs to continue for the next fiscal year at the level outlined. Some changes in the base budget may occur, namely non-state fund increases or decreases (i.e. federal funds, transfers, dedicated credits and non-lapsing balances) and program shifts within a line item.

Department Requests for Consideration

The department requests the following actions from the subcommittee for its internal service funds:

1. Close the Data Processing internal service fund and appropriate the remaining retained earnings from the fund to this line item. This amount was taken as a General Fund reduction in the September 2008 Special Session, but without the subcommittee’s action, the retained earnings needed to cover that reduction remain in the internal service fund. In order to accomplish this request, the subcommittee would need to approve the following intent language:

The Legislature intends that the Department of Human Services terminate its data processing internal service fund and transfer the associated assets to the Department of Human Services in accordance with applicable federal regulations. The Legislature further intends that the portion of the cash balance owed to the federal government be paid from the cash transferred to the department.

ACCOUNTABILITY DETAIL

For a discussion of accountability detail, see Issue Brief *DHS – Accountability Detail*.

BUDGET DETAIL

The following table shows the budget history for the DHS - ISF line item including the base budget for adoption:

ISF - Human Services - ISF - DHS Internal Service Funds						
Sources of Finance	FY 2008 Actual	FY 2009 Appropriated	Changes	FY 2009 Revised	Changes	FY 2010* Base Budget
Dedicated Credits - Intragvt Rev	5,156,500	4,889,628	(3,449,628)	1,440,000	(5,000)	1,435,000
Total	\$5,156,500	\$4,889,628	(\$3,449,628)	\$1,440,000	(\$5,000)	\$1,435,000
Programs						
ISF - DHS Data Processing	3,731,300	3,449,628	(3,449,628)	0	0	0
ISF - DHS General Services	1,425,200	1,440,000	0	1,440,000	(5,000)	1,435,000
Total	\$5,156,500	\$4,889,628	(\$3,449,628)	\$1,440,000	(\$5,000)	\$1,435,000
Categories of Expenditure						
Personal Services	36,100	62,900	(25,800)	37,100	0	37,100
In-State Travel	0	6,600	(6,600)	0	0	0
Current Expense	1,333,600	1,435,000	0	1,435,000	(10,000)	1,425,000
DP Current Expense	3,798,900	3,515,000	(3,500,000)	15,000	2,000	17,000
Other Charges/Pass Thru	0	10,500	(10,500)	0	0	0
Depreciation	1,900	1,919	(1,919)	0	0	0
Total	\$5,170,500	\$5,031,919	(\$3,544,819)	\$1,487,100	(\$8,000)	\$1,479,100
Other Data						
Budgeted FTE	1	1	0	1	0	1
Retained Earnings	307,934	75,524	10,990	86,514	(25,840)	42,393
Vehicles	1	1	0	1	0	1

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

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. A total FY 2010 base appropriation of \$1,435,000 with the plan of financing shown above for the Internal Service Funds line item.
2. Close the Data Processing internal service fund and appropriate the remaining retained earnings from the fund to the Executive Director Operations line item by approving the intent language shown on page 2 under item number 1.