

DAS INTERNAL SERVICE FUND OVERVIEW

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE

BUDGET BRIEF

SUMMARY

Internal Service Funds (ISF) employ business practices to provide a service or product for other state and governmental agencies. Typical services include motor pools, information technology, mail processing, facility management, or other large functions that can be centrally coordinated. They are set up to take advantage of economies of scale, to avoid duplication of efforts and to provide an accounting mechanism to adequately identify the costs of certain governmental services.

DAS operates five ISFs that are funded by rates charged to state agencies, higher education, and local governments:

- Purchasing and General Services
- Fleet Operations
- Risk Management
- Facilities Maintenance
- Finance P-card

In order to control the size, mission and fees charged to state agencies, the Legislature imposed statutory controls (UCA 63J-1-410 and 411) that require ISFs to respond to the legislative budget process. No ISF can bill another agency for its services unless the Legislature has:

- Approved the ISF's budget request
- Approved the ISF's rates, fees, and other charges, and included those rates and fees in an appropriations act
- Approved the number of FTE as part of the annual appropriation process
- Appropriated the ISF's estimated revenue based upon the rates and fee structure

No capital acquisitions can be made by an ISF without legislative approval. No capital assets can be transferred to an ISF without legislative approval.

Figure 1: ISF - Administrative Services - Business-like Activities - Budget History

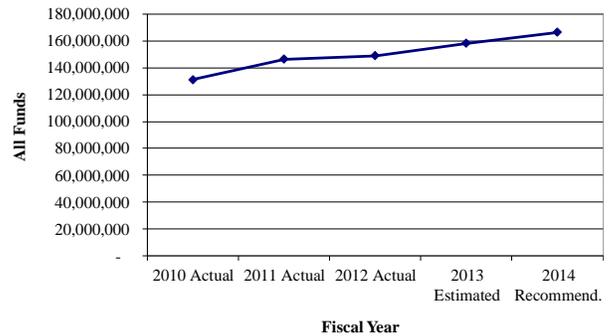


Figure 2: ISF - Administrative Services - Business-like Activities - FTE History

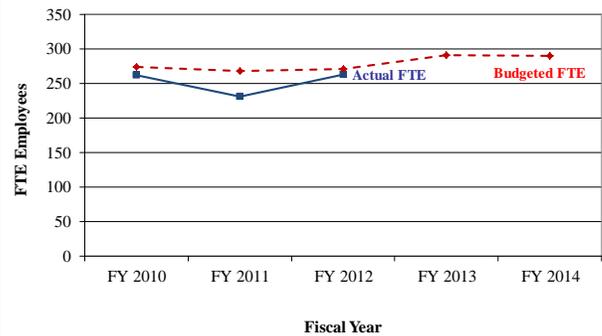
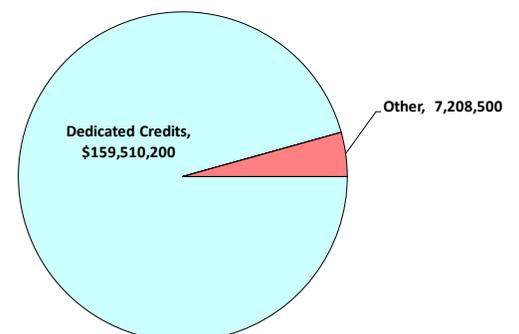


Figure 3: ISF - Administrative Services - Business-like Activities - FY 2014 Funding Mix



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Working capital should come from the following sources in priority order: operating revenues; long-term debt; legislative appropriations. General Fund borrowing (long-term debt) is authorized as long as the debt is repaid over the useful life of assets and borrowing does not exceed 90 percent of the ISF's capital assets.

BUDGET DETAIL

The predominant source of funds, Dedicated Credits – Intragovernmental Revenue, comes from charges to customer agencies. Premiums are collected by Risk Management for its insurance programs. Restricted revenue comes from Workers Compensation collections made by the Division of Risk Management.

BUDGET DETAIL TABLE

ISF - Administrative Services - Business-like Activities						
Sources of Finance	FY 2012 Actual	FY 2013 Appropriated	Changes	FY 2013 Revised	Changes	FY 2014* Recommended
Federal Funds	18,500	0	0	0	0	0
Premiums	30,196,900	29,749,100	(949,100)	28,800,000	1,696,800	30,496,800
Interest Income	339,600	354,900	0	354,900	(43,900)	311,000
Dedicated Credits - Intragvt Rev	111,000,500	111,318,400	10,068,400	121,386,800	6,715,600	128,102,400
Sale of Fixed Assets	598,500	0	600,000	600,000	0	600,000
Risk Management - Workers Comp	6,925,100	7,208,500	0	7,208,500	0	7,208,500
Total	\$149,079,100	\$148,630,900	\$9,719,300	\$158,350,200	\$8,368,500	\$166,718,700
Line Items						
ISF - Finance	321,100	1,850,000	(48,800)	1,801,200	0	1,801,200
ISF - Purchasing & General Services	19,590,600	19,069,000	911,000	19,980,000	375,900	20,355,900
ISF - Fleet Operations	65,250,900	62,248,000	9,955,900	72,203,900	5,185,200	77,389,100
ISF - Risk Management	37,461,600	37,312,500	(949,100)	36,363,400	1,652,900	38,016,300
ISF - Facilities Management	26,454,900	28,151,400	(149,700)	28,001,700	1,154,500	29,156,200
Total	\$149,079,100	\$148,630,900	\$9,719,300	\$158,350,200	\$8,368,500	\$166,718,700
Categories of Expenditure						
Personnel Services	16,320,000	18,529,100	239,300	18,768,400	344,300	19,112,700
In-state Travel	34,700	39,600	(1,600)	38,000	(2,100)	35,900
Out-of-state Travel	41,700	48,600	(5,100)	43,500	(1,900)	41,600
Current Expense	122,469,100	115,672,000	11,730,000	127,402,000	5,596,400	132,998,400
DP Current Expense	1,264,500	1,554,900	27,600	1,582,500	(220,600)	1,361,900
Capital Outlay	0	182,600	(182,600)	0	0	0
Other Charges/Pass Thru	883,000	188,200	432,400	620,600	599,200	1,219,800
Depreciation	11,141,200	11,315,800	640,100	11,955,900	780,300	12,736,200
Transfers	2,000,000	0	0	0	0	0
Total	\$154,154,200	\$147,530,800	\$12,880,100	\$160,410,900	\$7,095,600	\$167,506,500
Other Data						
Budgeted FTE	272	293	(3)	291	(1)	290
Actual FTE	263	0	0	0	0	0
Authorized Capital Outlay	18,684,500	25,255,900	(45,000)	25,210,900	(588,200)	24,622,700
Retained Earnings	16,816,519	15,625,700	(647,200)	14,978,500	(757,900)	14,220,600

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