



DEPARTMENT OF ADMINISTRATIVE SERVICES' PROPOSED FEES AND RATES

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

[UCA 63J-1-504\(5\)](#) states, "Each fee agency shall submit its fee schedule or special assessment amount to the Legislature for its approval on an annual basis. The Legislature may approve, increase or decrease and approve, or reject any fee submitted to it by a fee agency."

The introduced version of [Senate Bill 6](#), 2018 General Session, shows the Department of Administrative Services' (DAS) proposed fees and rates for FY 2019.

The **Department of Administrative Services (DAS)**. DAS provides dozens of services, charged at hundreds of rates through its divisions. Highlights of changes from FY 2018 to FY 2019 fees and rates include the following:

The Division of Risk Management

- Property: There are no property rate changes but there are property premium increases due to valuation changes for FY19. The total rate impact is \$227,300.
- Liability: The liability program rates however stayed relatively stable except for two customer segments, Higher Education (482,100) and Public Education (4,231,200). This is due to a trend of significant claims increases in these segments over recent years as verified by an independent actuary. The total rate impact for the Liability program is \$4,540,300.

A new rate is being introduced for the Learning Management System with a total rate impact of \$27,500.

The Division of Fleet Operations proposes the following rate adjustments:

- Motor Pool Program: The Rate Committee approved the removal of the year 2013 from the monthly lease rate formula and updated it to subtract salvage value instead of salvage value by class (i.e. 17%, 18% or 21%). Fleet Operations intends to increase the salvage value subtraction from the 17%, 18% or 21% to 25%. This keeps contract pricing more current and moves salvage value more in line with recent actual rates from Surplus Property. Also, Motor Pool reduced the Administrative Fee, raised the Management Information System Fee, eliminated the Administrative Fee for agency-owned vehicles and the Higher Education Management Information System. The total rate impact for Motor Pool is a decrease of \$87,300.
- Fuel Network: Increased the rate from 6.5 cents to 7.5 cents per gallon at high volume (60,000 gallons plus per year) state-owned fuel sites. This has a rate impact of \$26,400.
- State Travel: No rate changes.

The **Division of Purchasing and General Services** are proposing to increase four rates for the State Mail program. These increases will not yield additional revenue beyond what was expected after last year's rate overhaul. Rather, these rates maintain last year's expected revenue increase by adapting to changes in customer behavior due to last year's rate changes. The rate impact of this adjustment is \$215,600.

Division of Facilities Construction and Management

- Rate adjustments for 9 programs in FY19 that total \$226,211.
- New labor rates for staff for work not included in standard Operation and Maintenance agreements with agencies.

Division of Finance

- The Rate Committee approved the Consolidated Budget and Accounting rate adjustments for FY 2019 for \$160,000, which are all internal to the Department of Administrative Services.