



Capitol Preservation Board Accountable Budget Review

Summary

JR3-2-501 as amended in HJR 18, 2019 General Session requires each appropriations subcommittee to “create an accountable process budget for approximately 20% of the budgets that fall within the subcommittee’s responsibilities” ensuring “that each of the budgets for which the appropriations subcommittee has responsibility is the subject of an accountable budget process at least once every five years.” Subcommittees first implemented this rule during the 2019 Interim. During the 2020 Interim, the Legislature suspended the rule due to the heightened scrutiny budgets were already receiving in the pandemic. The requirement resumed in the 2021 Interim.

The Executive Appropriations Committee (EAC) hears and directly considers the budgets of the Legislature, Capitol Preservation Board (CPB), Utah National Guard, and Department of Veterans and Military Affairs (DVMA). The EAC reviewed the DVMA budget in the 2021 Interim. The CPB is the agency selected for an accountable budget review during the 2022 Interim.

This brief is intended to assist EAC members’ review of the CPB budget by starting from zero, answering detailed questions on the policies that drive the budget, and providing recommendations on the extent to which funding should be included in a base budget bill for Fiscal Year 2024.

The CPB budget has two line items, one of which is the main operating line item and the other is an expendable account named the State Capitol Fund. The Legislature appropriates General Fund to the main line item and the CPB deposits revenue collections in the State Capitol Fund. The CPB uses both line items to administer its programs each year. Combined, both line items sum to approximately \$4.7 million in FY 2023. Ending balances in the State Capitol Fund have grown in recent years due to the agency’s efforts to generate revenue and control costs.

This brief provides a five-year history of funding and expenditures for both line items, an in-depth look at funding sources and expenditures, a summary of intent language, and a review of performance measures. The appendix provides a budget deep dive checklist with 35 questions and answers about each line item.

The largest expenditure for the CPB is operations and maintenance (O&M) of buildings at \$3.1 million per year. The next largest expenditure is personnel services at \$0.9 million per year.

This brief includes the following two recommendations. The CPB has reviewed and agreed.

1. Repeal the State Capitol Fund. See page 13.
2. Reallocate unused appropriations for school field trips or expand their purpose. Options for reallocation include both ongoing and one-time funds, and could be redirected to CPB personnel, capital improvements, lunches, souvenirs, substitute teachers, bus driver lodging, or back to the General Fund. See pages 18-19.

Overview

The CPB consists of an eleven-member board and staff which are responsible for all buildings and grounds on Capitol Hill. The mission of the CPB is to preserve the Utah State Capitol for current and future generations to use and enjoy as a symbol of Utah state government and maintain its regard as a great national historical monument.

Functions of the CPB include:

- manage all stewardship activities and daily operations associated with the Capitol Hill Complex;
- direct facilities and grounds, including maintenance, furnishings, occupancy, public usage, tours, and long-range master planning;
- manage the day-to-day operations of the Capitol Building, the East and West buildings, the State Office Building, the Daughters of Utah Pioneers Museum, the Travel Council, and the White Chapel;
- contract with the Division of Facilities Construction and Management (DFCM) for grounds maintenance and facility management;
- manage the Bus Funding Program, giving grants to local education agencies for field trips to the Capitol;
- coordinate the security of all buildings, grounds, and people on the Capitol Hill Complex with the Utah Highway Patrol (UHP); and
- hire and oversee an executive director and other staff.

Please see the appendix for a budget deep dive checklist for each program in the agency.

Key Terms

The Budgetary Procedures Act (UCA Title 63J Chapter 1) governs how agencies use legislative appropriations. The act defines several key terms that will be helpful while reviewing DVMA's budget. These include:

"Dedicated credits" means collections by an agency that fund agency operations. Dedicated credits include fees, donations, assessments, sales, fines, and other revenues.

"Expendable receipts" means collections by an agency for expenditures that are limited by a nonstate entity that provides the funds. Expendable receipts are not limited by appropriations.

"Line item" means a unit of accounting within an agency, that contains one or more programs. An appropriation or any surplus of any appropriation may not be diverted from any line item to any other line item unless approved by the Legislature.

"Program" means a unit of accounting included on a schedule of programs within a line item used to track budget authorizations, collections, and expenditures on specific purposes or functions. An agency may transfer money appropriated to it from one program to another program if the agency revises its budget execution plan with the Division of Finance.

"Restricted revenue" means collections that are deposited, by law, into a separate fund, sub-fund, or account, and designated for a specific program or purpose.

The CPB has two categories of appropriation – or "appropriation types." These include "Operating and Capital Budgets" and "Expendable Funds and Accounts." These categories are defined as follows:

“Operating and Capital Budgets” are what people typically mean when they talk about “the budget”. They grant to agencies, divisions, and programs of state government authority to expend public money. With a few exceptions, spending is “capped” at the amount appropriated.

“Expendable Funds and Accounts” are, for the most part, “expendable special revenue funds” – funds and accounts that have a dedicated revenue source and can be spent without legislative action. The exceptions are enterprise funds and general fund restricted accounts that act like expendable special revenue funds. In some cases, the Legislature may authorize the Division of Finance to move resources from one fund or account into another fund or account where the recipient fund or account can be spent without additional legislative action.

Legislative Joint Rule 3-2-402 instructs that in a base budget, appropriations from the General Fund, the Income Tax Fund, and the Uniform School Fund shall be set as follows: 1) if the next fiscal year ongoing revenue estimates are equal to or greater than the current fiscal year ongoing appropriations, the new fiscal year base budget is not changed; 2) if the next fiscal year ongoing revenue estimates are less than the current fiscal year ongoing appropriations, the new fiscal year base budget is reduced by the same percentage that projected next fiscal year ongoing revenue estimates are lower than the total of current fiscal year ongoing appropriations.

Budget Organization

The Legislature approves budgets for the CPB in two distinct line items, each with programs as shown below the line item name:

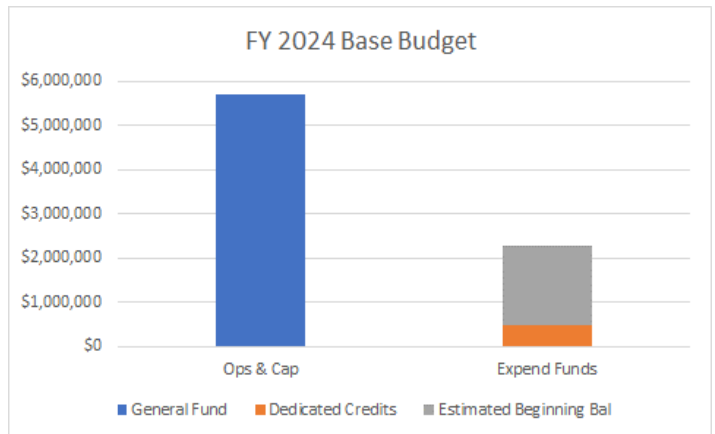
1. Capitol Preservation Board (Operating and Capital Budgets)
 - a. Capitol Preservation Board program
2. State Capitol Fund (Expendable Funds and Accounts)
 - a. State Capitol Fund

Please refer to the [Compendium of Budget Information](#) (COBI) and the attached Budget Deep Dive Checklists for additional detail about each line item.

FY 2024 Base Budget

Per Joint Rule 3-2-402, if FY 2024 revenue estimates are equal to or greater than the FY 2023 ongoing appropriations, the CPB FY 2024 base budget will be:

FY 2024 Base Budget	Ops & Cap	Expend Funds
General Fund	5,693,800	
Dedicated Credits		470,200
Estimated Beginning Bal		1,822,600
Total	5,693,800	2,292,800



- The Operating and Capital base budget has 10 full-time equivalent (FTE) employees and no vehicles.

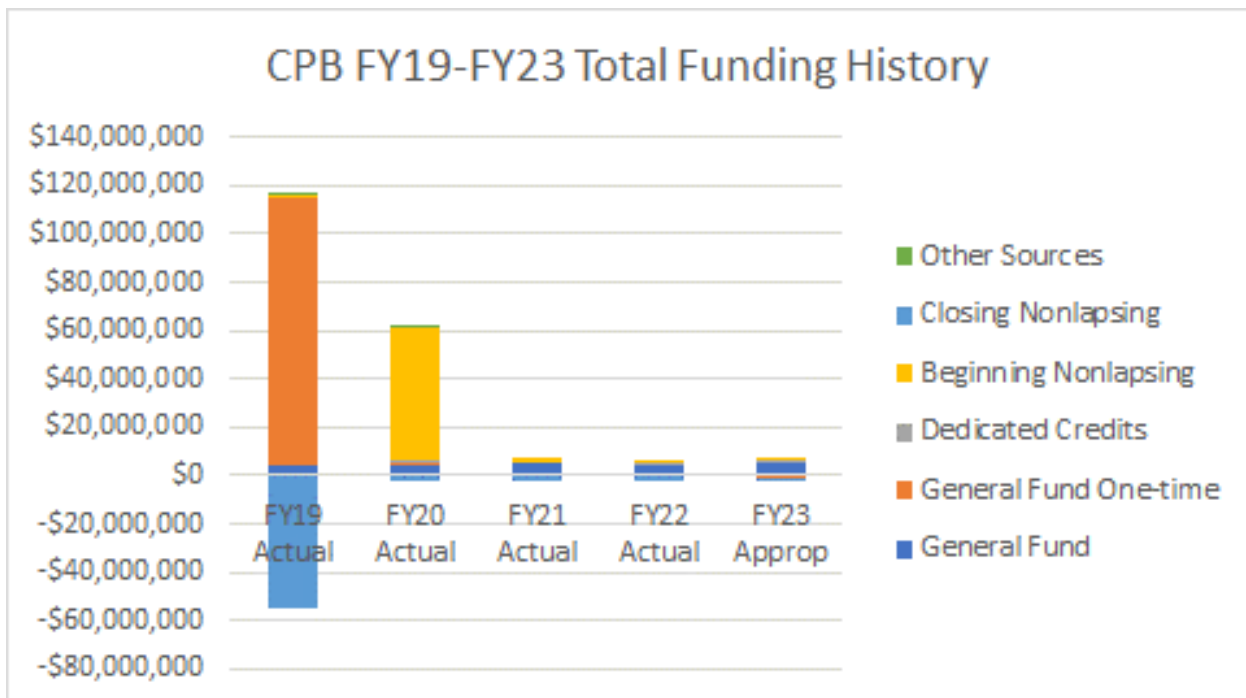
- Of the \$5,693,800 in the base, \$1,386,800 is for operations and maintenance of the North Building, which funding can be backed out one-time until the building is constructed.
- The Expendable Funds and Accounts base budget has no FTE or vehicles. However, at the end of each fiscal year, the CPB transfers a portion of their Personnel Services costs to the expendable fund.

Five-Year Budget History

The following information provides a five-year history of CPB’s budgets and expenditures beginning with total budgets, then broken down by Operating and Capital and Expendable Funds and Accounts, in numerical and graphical format.

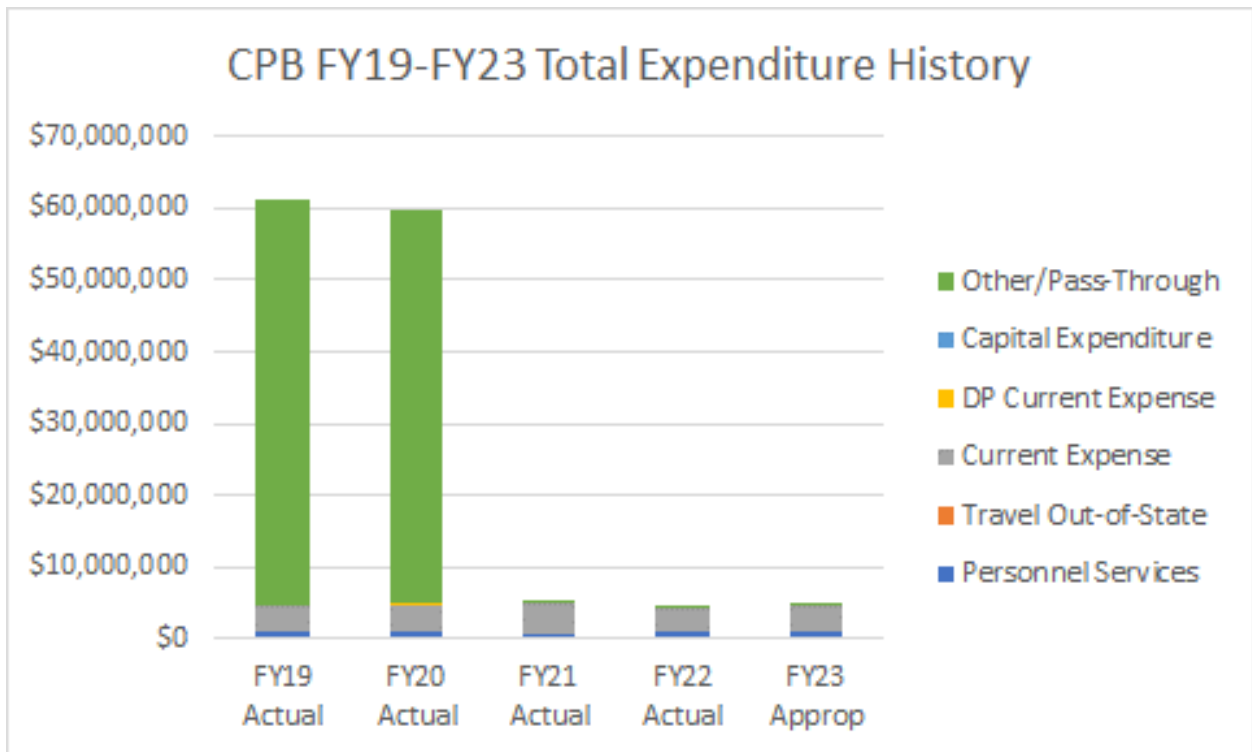
Total Budget – Funding History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Approp
General Fund	4,617,200	4,641,000	4,931,300	4,262,600	5,693,800
General Fund One-time	110,080,900	1,104,100	4,400	5,600	(1,467,700)
Dedicated Credits	678,300	596,600	360,500	617,700	470,200
Beginning Nonlapsing	1,030,300	55,153,400	1,741,800	1,758,000	1,523,100
Closing Nonlapsing	(55,153,500)	(1,741,800)	(1,758,000)	(1,822,900)	(1,106,200)
Other Sources	2,500	3,800			
Total	61,255,700	59,757,100	5,280,000	4,821,000	5,113,200



Total Budget – Expenditure History

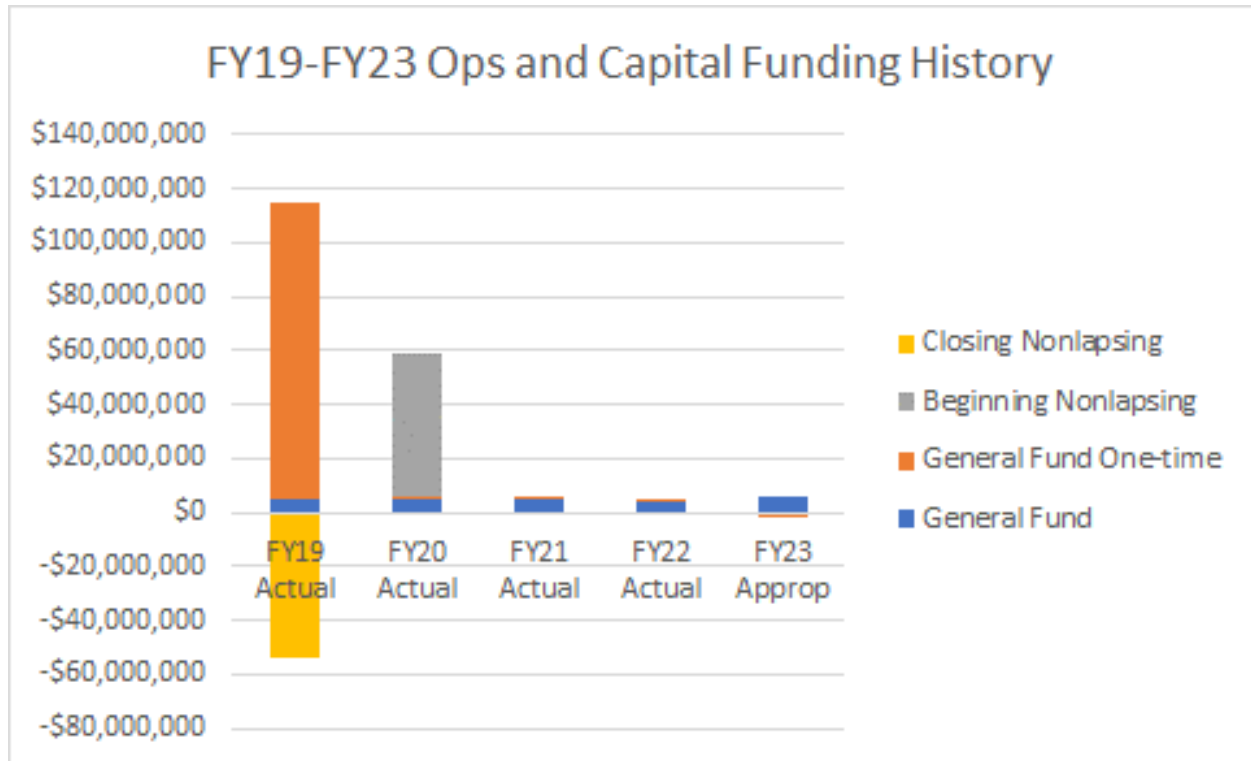
	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Approp
Personnel Services	866,700	900,100	788,000	891,700	1,070,100
Travel Out-of-State	900	2,200		900	
Current Expense	3,904,300	3,901,100	4,046,800	3,463,800	3,656,600
DP Current Expense	46,100	53,700	40,200	50,100	71,600
Capital Expenditure	10,900		5,000	14,500	
Other/Pass-Through	56,426,800	54,900,000	400,000	400,000	314,900
Total	61,255,700	59,757,100	5,280,000	4,821,000	5,113,200



The large expenditures in fiscal years 2019 and 2020 were for DFCM project transfers. The Legislature appropriated \$110 million one-time in FY 2019 to address space needs for multiple state agencies while simultaneously increasing energy efficiency and reducing the traffic impact on Capitol Hill. In May of 2019, the Executive Appropriations Committee signed off on spending \$56 million for three projects: the purchase and remodel of the Taylorsville American Express Building, North State Capitol Building programming, and state agencies space utilization master planning. The following year, in FY 2020, the Legislature lapsed the remaining balance, \$54 million, to the General Fund to help pay the costs of replacing the State Office Building.

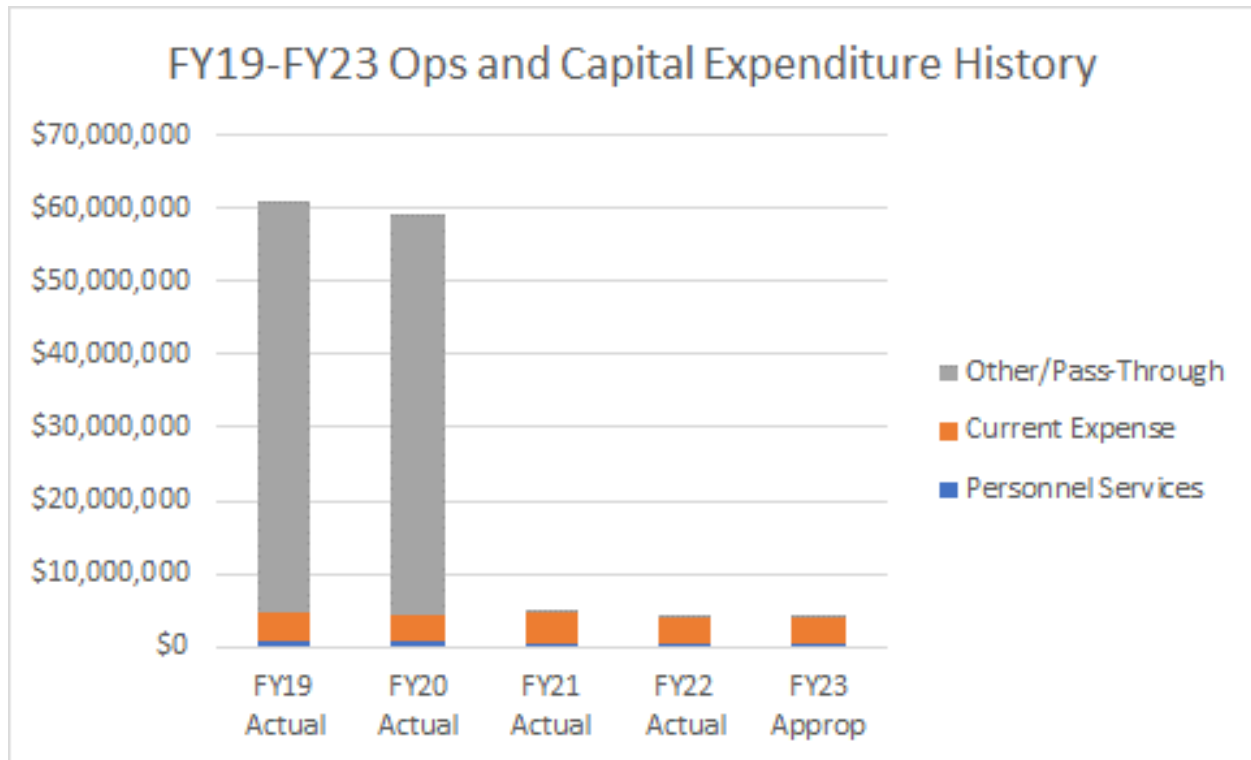
Operating and Capital Budgets – Funding History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Approp
General Fund	4,617,200	4,641,000	4,931,300	4,262,600	5,693,800
General Fund One-time	110,080,900	1,104,100	4,400	5,600	(1,467,700)
Beginning Nonlapsing		53,598,700			
Closing Nonlapsing	(53,598,700)				
Total	61,099,400	59,343,800	4,935,700	4,268,200	4,226,100



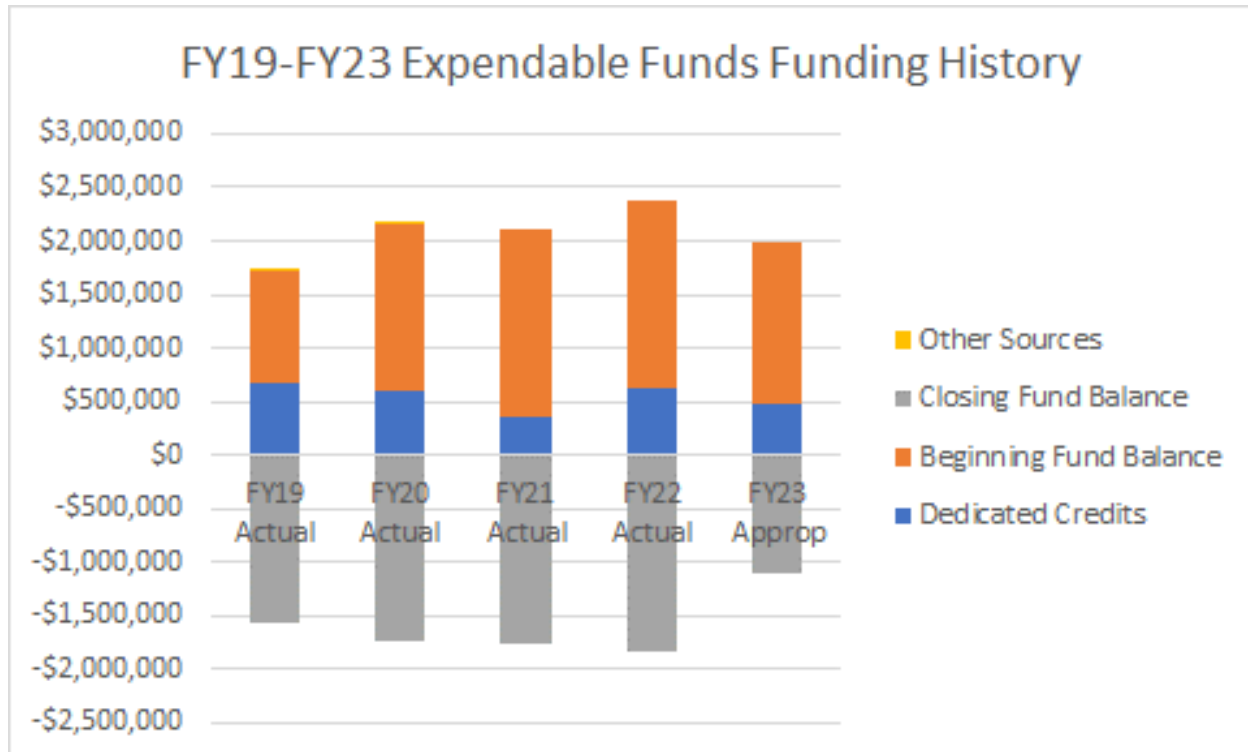
Operating and Capital Budgets – Expenditure History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Approp
Personnel Services	862,900	634,100	540,800	468,900	506,300
Current Expense	3,809,700	3,809,700	3,994,900	3,399,300	3,404,900
Other/Pass-Through	56,426,800	54,900,000	400,000	400,000	314,900
Total	61,099,400	59,343,800	4,935,700	4,268,200	4,226,100



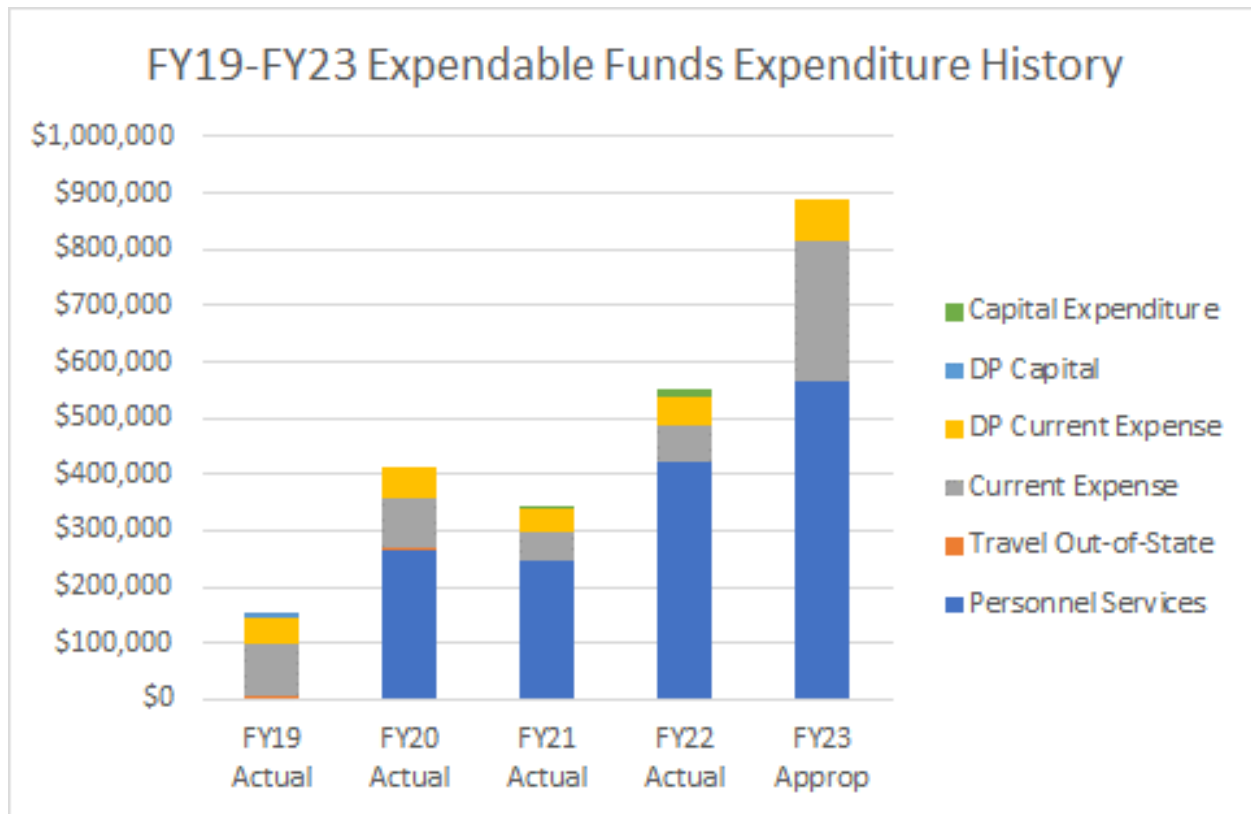
Expendable Funds – Funding History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Approp
Dedicated Credits	678,300	596,600	360,500	617,700	470,200
Beginning Fund Balance	1,030,300	1,554,700	1,741,800	1,758,000	1,523,100
Closing Fund Balance	(1,554,800)	(1,741,800)	(1,758,000)	(1,822,900)	(1,106,200)
Other Sources	2,500	3,800			
Total	156,300	413,300	344,300	552,800	887,100



Expendable Funds – Expenditure History

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Approp
Personnel Services	3,800	266,000	247,200	422,700	563,800
Travel Out-of-State	900	2,200		900	
Current Expense	94,600	91,400	51,900	64,500	251,700
DP Current Expense	46,100	53,700	40,200	50,200	71,600
DP Capital	10,900				
Capital Expenditure			5,000	14,500	
Total	156,300	413,300	344,300	552,800	887,100



CPB Full-Time Equivalent Employees

	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Approp
Oper and Capital FTE	11	11	9	10	10
Expendable Funds FTE	0	0	0	0	0
Total FTE	11	11	9	10	10

CPB Vehicles

The Capitol Preservation Board does not have state vehicles.

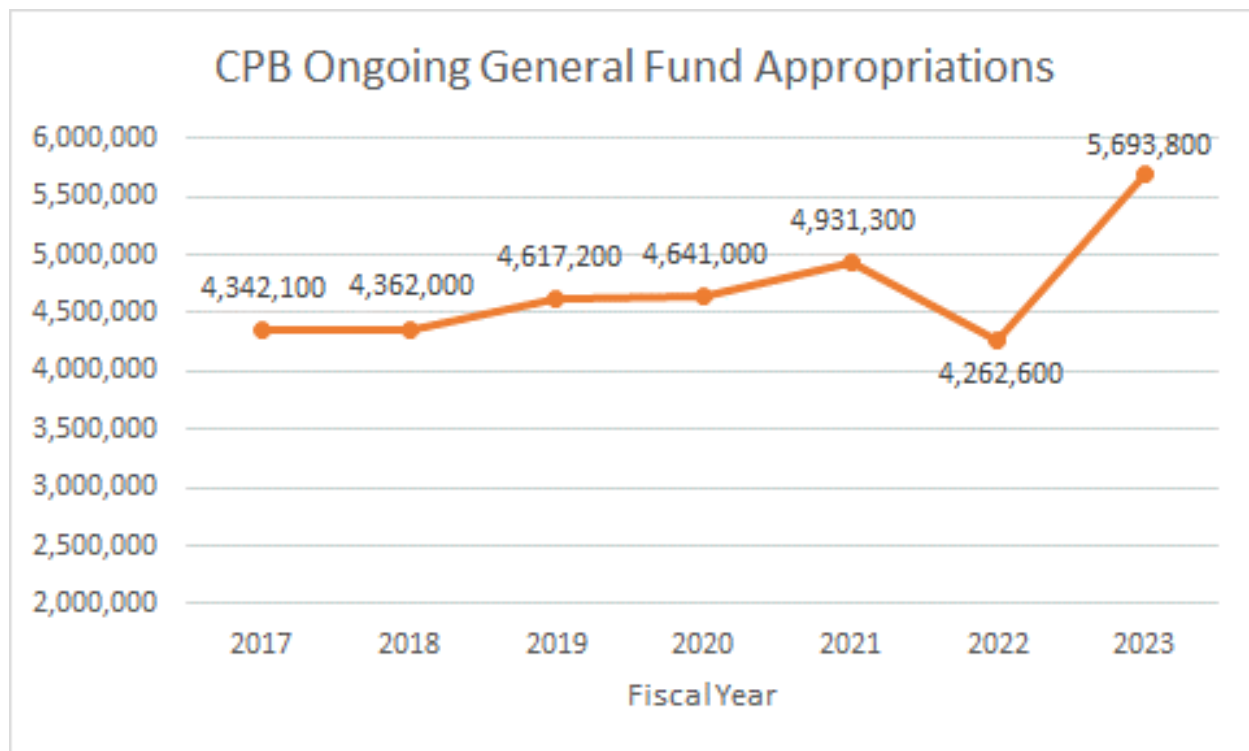
Funding Sources

As shown on page 3, the Capitol Preservation Board’s FY 2024 base budget is comprised of two funding sources: General Fund at \$5,693,800 (92 percent) and Dedicated Credits at \$470,200 (8 percent). However, the FY 2024 General Fund amount includes \$1,386,800 for operations and maintenance of the North Building, which funding can be backed out one-time until the building is constructed. The CPB receives dedicated credits from rentals, sale of goods and services, and miscellaneous items on Capitol Hill; in FY 2022, the CPB earned \$617,700. The CPB is allowed to keep unspent year-end balances in the State Capitol Fund (an expendable fund) and carried forward \$1,819,100 from FY 2022 into FY 2023.

General Fund

This fund is the principal operating fund of the State. It accounts for all financial resources not accounted for and reported in another fund. The Legislature appropriated a total of \$4,268,200 to CPB in FY 2022: \$4,262,600 ongoing and \$5,600 one-time; and appropriated a total of \$4,226,100 in FY 2023: \$5,693,800 ongoing and (\$1,467,700) one-time.

Focusing only on the ongoing General Fund appropriations (removing one-time General Fund appropriations that are made almost exclusively for pass-through items such as Capitol building projects and therefore are not considered part of the CPB’s core budget) shows that the CPB has had modest General Fund increases over time. The spike in FY 2023 was due to a \$1,386,800 ongoing increase for O&M on the new north building, which will be offset by negative one-time appropriations until the building is constructed. Without this O&M increase, the FY 2023 figure would be \$4,307,000.



General Fund Budget Building Blocks Since FY 2019

The following table shows legislatively appropriated building blocks from the General Fund between FY 2019 and 2023. It does not include increases for routine operational elements such as Personnel Services or Internal Service Fund rate change impacts.

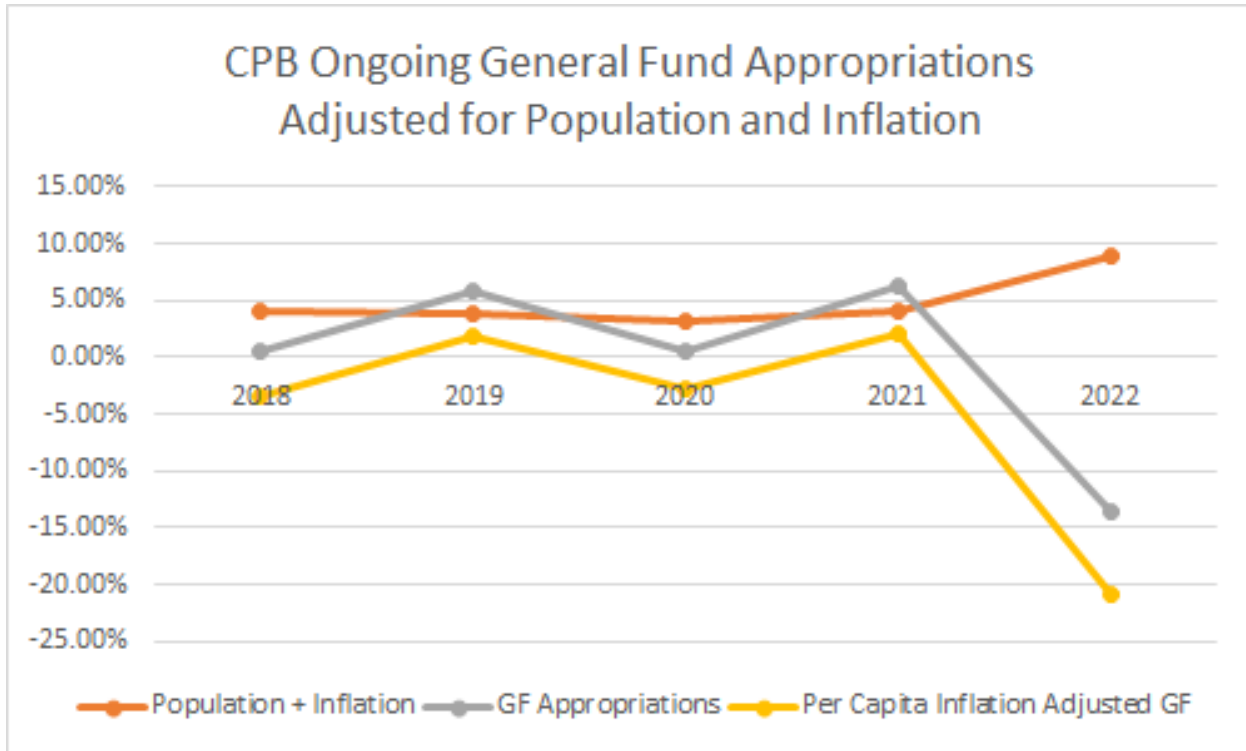
General Fund Appropriation Building Blocks (Not Including Personnel Services or Internal Service Fund Rate Impacts)										
	FY 2019		FY 2020		FY 2021		FY 2022		FY 2023	
	Ongoing	1X	Ongoing	1X	Ongoing	1X	Ongoing	1X	Ongoing	1X
Event Support Specialist ¹	33,000									
State Capitol Field Trips ²	200,000	76,800		100,000	100,000					(85,100)
North Building Replacement ³		110,000,000							1,386,800	(1,386,800)
Capitol Space Remodel ⁴				1,000,000						
Operations & Maintenance ⁵					(94,800)		(685,000)			
Total	233,000	110,076,800	-	1,100,000	5,200	-	(685,000)	-	1,386,800	(1,471,900)

Notes:

1. The Event Support Specialist was funded half with General Fund and half with Dedicated Credits.
2. State Capitol Field Trips: This funding was housed in the Minimum School Program in the amount of \$150,000 ongoing until FY 2019. Beginning in FY 2019, the Legislature moved this \$150,000 to the Capitol Preservation Board and increased it by \$50,000, and further moved \$76,800 in carry-forward balances. The Legislature has approved more money since then, now reaching \$300,000 ongoing. Of the \$300,000 ongoing, the CPB uses \$50,000 for a half FTE to administer the program and transfers the other \$250,000 to a project account for grants. During FY 2023 the Legislature lowered the appropriation by \$85,100 one-time due to reduced visitation during the pandemic. See page 18 for more information.
3. North Capitol Building: See information on page 17.
4. Capitol Space Remodel: This appropriation provided funding for remodeling legislative space on Capitol Hill.
5. Operations and Maintenance: The FY 2021 reduction of \$94,800 was a result of reduced visitation during the pandemic and affected janitorial, garbage collection, and other maintenance. The FY 2022 reduction of \$685,000 was due the vacating of the State Office Building and left \$150,000 for minimal maintenance.

As shown in the following chart, between FY 2018 and FY 2022, year over year growth in ongoing General Fund appropriations to the Capitol Preservation Board was lower than population growth and inflation. Two factors explain the steep decline in FY 2022: 1) The sudden increase in inflation in FY 2022, and 2) the decrease in ongoing General Fund appropriations because of closing the State Office Building. The trend may recover in FY 2023 when updated inflation and population numbers become available for comparison with the \$1,386,800 appropriation for O&M on the new North Building.

The compound annual growth rate (CAGR) for ongoing General Fund appropriations in the same time period is -0.57 percent, compared to 1.7 percent for population and 3.25 percent for inflation.



Dedicated Credits

According to UCA 63J-1-102, "dedicated credits" means collections by an agency that fund agency operations. "Dedicated credits" includes assessments; sales of goods and materials; sales of services; permits, licenses, and other fees; fines, penalties, and forfeitures; and rental revenue. "Dedicated credits" does not include expendable receipts; revenues otherwise designated by law for deposit into another fund or account; federal revenues and the related pass through; or revenues that are not deposited in governmental funds.

The CPB's FY 2017 through FY 2022 dedicated credits earnings were broken down as follows:

CPB Dedicated Credit Collections						
	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Rental/Lease Revenue	391,500	408,500	407,500	371,700	125,000	383,100
Sale of Goods and Materials	235,400	267,300	251,100	216,100	222,200	218,200
Interest Income	2,600	4,200	6,600	5,000	1,200	10,400
Administrative Fees	3,200	3,800	12,800	3,800	600	3,800
Sale of Surplus Property		600	300		11,500	2,000
Donations	37,500					200
Sundry Revenue Collections	(41,000)					
	<u>629,200</u>	<u>684,400</u>	<u>678,300</u>	<u>596,600</u>	<u>360,500</u>	<u>617,700</u>

The increase in administrative fees in FY 2019 was reimbursements for setting up the transcontinental railroad exhibit. The drop in rental/lease revenue in FY 2021 was primarily due to the COVID-19 pandemic when Capitol Hill was closed.

Of the \$218,200 collected in FY 2022 from sales of goods and materials, \$184,000 came from the DTS Data Center for electrical and janitorial services. Since the DTS data center was demolished in August of 2022, these collections will decline going forward, as should expenditures.

Dedicated credits could further decline in FY 2023 if rentals drop due to demolition of the old State Office Building and construction of the new North Building. Demolition and construction could cause dust, noise, and decreased visual attractiveness which could result in diminished demand for renting space at the Capitol. Should revenues indeed fall, CPB staff will need to adjust expenditures on services or use a portion of its carryforward balance until revenues recover or until the agency can make permanent spending reductions.

The State Capitol Fund

In UCA 63C-9-502, the Legislature created the State Capitol Fund, an expendable special revenue fund. The fund consists of money generated from the following sources:

- Any donations, deposits, contributions, gifts, money, and items of value received from private persons, foundations, or organizations;
- appropriations made to the fund by the Legislature; and
- money received by the board from the federal government.

The fund earns interest and the interest is returned to the fund.

The Capitol Preservation Board (CPB) may use this fund to:

- Acquire historical and other items to furnish Capitol Hill facilities;
- repair, maintain, and rehabilitate Capitol Hill facilities and grounds; and
- fund all other costs incurred in complying with its statutory requirements.

The Capitol Preservation Board gradually increased end-of-year balances in the State Capitol Fund between FY 2016 and FY 2022 despite COVID-19 and reduced visitation. However, it is possible that revenue will decline in FY 2023 due to demolition of the State Office Building and data center. Since FY 2016, closing fund balances were:

- FY 2016: \$742,200
- FY 2017: \$851,900
- FY 2018: \$1,030,300
- FY 2019: \$1,554,700
- FY 2020: \$1,741,800
- FY 2021: \$1,761,800
- FY 2022: \$1,819,100

Each year the agency uses the fund to pay a portion of its costs, including personnel services, internal service fund rates, current expenses, and data processing costs.

We recommend closing the State Capitol Fund if the Legislature is willing to give the board's appropriated line item statutory nonlapsing authority. This recommendation would require legislation. Under that condition, the fund's purposes can be accomplished within the appropriated line item. We believe the State Capitol Fund creates unnecessary accounting hurdles that remove transparency with no compensating advantage. Donations (of which there have been few since FY 2017 – see table on previous page) can be booked as Expendable Receipts in the appropriated line item. Legislative appropriations and federal funds (if any) are also readily entered into the appropriated line item. Closing and beginning fund balances can be converted to closing and beginning nonlapsing balances in the program. While the fund is an "expendable special revenue fund", meaning its funds can be spent without legislative action, under UCA 63J-1-105 "expendable receipts are not limited by appropriation." Other sources besides donations in the fund arguably should be subject to appropriation.

Expenditure Detail

Personnel Services

As previously mentioned, the agency had approximately 10 FTE in FY 2022 – all in the Operating and Capital Budget. The following chart provides a five-year breakdown of costs and full-time equivalency by employee. Employee names are hidden but positions are displayed by their unique Position Identification Number (PIN).

Capitol Preservation Board Personnel Levels and Costs, FY 2018-FY2022											
Empl PIN	Title	FY 2018		FY 2019		FY 2020		FY 2021		FY 2022	
		FTE	Rate	FTE	Rate	FTE	Rate	FTE	Rate	FTE	Rate
3010000	Executive Director	1.01	\$52.73	1.01	\$56.05	1.01	\$60.45	0.44	\$60.45		
3010003	Office Specialist I					0.49	\$15.00	0.64	\$17.00	0.83	\$18.51
3010003	CPB Temp			0.08	\$11.00						
3010003	CPB Temp	0.04	\$11.22								
3010005	CPB Function Support	0.44	\$18.08								
3010005	Visitor Services Coordinator			0.80	\$19.00	0.99	\$20.98	0.99	\$21.48	0.99	\$24.17
3010007	CPB Function Support									0.24	\$20.60
3010007	CPB Function Support	0.40	\$15.00	0.98	\$17.73	0.87	\$18.17				
3010007	CPB Function Support					0.06	\$13.00	0.18	\$13.00		
3010007	CPB Function Support							0.27	\$17.00		
3010007	CPB Function Support	0.35	\$14.00								
3010008	Office Specialist I	1.01	\$15.30	1.00	\$17.18	1.00	\$17.61	1.00	\$18.61	1.00	\$20.70
3010009	Intern					0.07	\$11.00				
3010009	Intern									0.02	\$12.00
3010013	Intern					0.07	\$11.00				
3010013	Intern									0.17	\$12.00
3010018	Deputy Director/Exec Dir	1.00	\$32.87	1.01	\$33.69	1.02	\$34.53	1.14	\$60.00	1.17	\$64.80
3010019	Administrative Assistant									0.69	\$23.14
3010019	Sched & Ops Mgr/Deputy Dir	0.99	\$23.00	1.00	\$23.58	0.90	\$24.17	0.82	\$36.00	1.01	\$38.83
3010020	Capitol Curator	0.99	\$26.60	1.00	\$27.27	1.00	\$27.95	0.68	\$27.95	0.82	\$31.85
3030681	Office Specialist I									0.58	\$15.00
3030681	Office Specialist I					0.07	\$15.00				
3030681	Office Specialist I					0.10	\$16.00				
3030681	Office Specialist I							0.02	\$15.00		
3030681	Asst Visitor Services Coord	0.07	\$19.10								
3030681	Office Specialist I			0.92	\$17.00	0.49	\$17.93				
3030681	Office Specialist I							0.23	\$15.00	0.52	\$16.48
3030686	Visitor Services Coordinator	0.42	\$18.00	0.97	\$18.45	1.00	\$18.91	0.52	\$18.91		
3030686	Visitor Services Coordinator	0.76	\$21.00								
3030687	Office Specialist I					0.18	\$15.00	0.51	\$18.00	0.54	\$19.04
3030688	Graphic Arts & Tech Spec			0.04	\$18.00	0.13	\$18.45				
3030688	Graphic Arts & Tech Specialist	0.34	\$18.00	0.88	\$20.00						
3030688	Graphic Arts & Tech Specialist					0.15	\$23.25				
3030688	CPB Project Support	0.35	\$17.34								
3030688	Graphic Arts & Tech Specialist	0.01	\$18.00								
3030689	CPB Temp	0.05	\$10.00								
3030689	CPB Temp	0.32	\$12.00	0.14	\$12.30						
3030690	CPB Temp	0.08	\$10.00								
3030690	CPB Temp	0.05	\$12.00								
3030690	CPB Temp							0.21	\$15.00		
3030691	CPB Temp			0.23	\$12.00						
3030691	CPB Temp	0.20	\$10.00								
3030691	CPB Function Support									0.44	\$15.00
3030692	CPB Function Support	0.99	\$17.30	0.98	\$17.73	0.93	\$19.67	0.68	\$20.67		
3030692	CPB Function Support							0.31	\$17.00	0.99	\$20.50
Total FTE/Annual Cost incl. Benefits		9.87	\$722,100.00	11.04	\$866,700.00	10.53	\$900,100.00	8.64	\$788,000.00	10.01	\$895,400.00
Average Cost per FTE incl. Benefits			\$73,161.09		\$78,505.43		\$85,479.58		\$91,203.70		\$89,450.55
Percent Change Cost Per FTE vs Prior Year					7.3%		8.9%		6.7%		-1.9%

Analysis of Personnel Services Costs:

- The average hourly rate in FY 2022 was \$23.51. The average cost per FTE was \$89,450, a decrease of 1.9% compared to FY 2021 and an increase of 22.3% over the FY 2018 average.
- Total personnel costs decreased from \$900,100 in FY 2020 to \$788,000 in FY 2021, a decrease of \$12.45% as some agency personnel volunteered to reduce hours during the pandemic. Total FTE count also declined by 18 percent in FY 2021. Although the totals declined, the average cost per employee increased, indicating that employees who volunteered to work fewer hours were lower-paid employees. Total personnel costs rebounded in FY 2022 to near the FY 2020 level.
- The agency’s actual personnel services costs tend to fall below appropriated amounts, most significantly in FY 2021. This is partially the reason the agency’s closing fund balance has gradually increased each fiscal year despite decreased demand for services during the pandemic. The following table compares budgeted Personnel Services costs to actual costs.

FY 2018		FY 2019		FY 2020		FY 2021		FY 2022	
Base	753,400	Base	818,100	Base	807,500	Base	914,300	Base	996,000
Final Approp	776,000	Final Approp	811,600	Final Approp	1,012,700	Final Approp	976,700	Final Approp	904,700
Actual	722,100	Actual	866,700	Actual	900,100	Actual	788,000	Actual	895,400
Over (Under)	(53,900)	Over (Under)	55,100	Over (Under)	(112,600)	Over (Under)	(188,700)	Over (Under)	(9,300)
% Over (Under)	-6.9%	% Over (Under)	6.8%	% Over (Under)	-11.1%	% Over (Under)	-19.3%	% Over (Under)	-1.0%

Five-Year History of Expenditures by Vendor

The following table is a five-year history of expenditures sorted by vendor. These data come from the state’s accounting system. If no vendor data is available, the name of the expenditure object category is listed instead.

Vendor/Object Name	2018	2019	2020	2021	2022
Advanced Healthstyles Fitness Equipment, Inc.			-		
BLDG & GROUNDS SECURITY	17,850.00	21,187.50	12,750.00		
Capital Expenditure		2,460.00		5,022.00	
CHARTWELL'S	-				
CLOTHING & UNIFORMS	1,083.74	1,473.62	1,412.34	413.89	2,717.42
COLLINSFLAGS.COM	5,900.05	2,086.10	1,291.77	2,928.29	988.46
COLONIAL FLAG			2,290.00		
COMMUNICATION SERVICES	854.25				
COSTCO	64.23	64.65	60.00	83.77	72.84
CREDIT CARD FEES	4,447.31	5,226.92	3,840.77	832.25	5,473.22
CURATION SUPPLIES	2,573.91			82.35	347.08
DFCM Capital Project Transfer	150,000.00	56,426,400.00	54,900,000.00	400,000.00	400,000.00
DHRM ISF	7,570.29	7,630.54	8,886.91	8,648.38	7,020.26
DP HARDWARE	6,877.91	5,070.69	8,078.79	6,750.30	4,032.55
DTS DP CHARGES	34,248.37	35,674.99	45,286.71	32,455.80	45,160.30
DTS TELECOM CHARGES	8,273.63	9,258.43	8,288.50	9,892.78	5,200.22
EMPL RECOGNITION	99.47	784.19	1,249.23	950.99	1,276.95
EMPL TRAINING & DEVEL	3,115.72	1,193.38	1,512.94	403.66	389.87
ENVIROKLEEN LLC	8,321.50	7,011.00	3,033.00	972.00	6,282.00
EQUIPMENT RENTAL		696.15			
EXHIBITS & DISPLAYS				79.94	165.94
FURNISHINGS UNDER \$5,000	(10,735.65)	5,723.40	3,241.07	745.57	1,289.25
GALLERY SYSTEMS INC	5,070.00	5,140.00			
JAKTHEBEAR	-	-	-	-	-
JANITORIAL SERVICE	4,339.55				
LES OLSON COMPANY	2,824.04	9,818.60	1,156.60	1,447.00	1,129.00
LICENSES, REGISTRATIONS	25.90		75.00	25.00	25.00
MEETING REGISTRATIONS			-		
MERCHANDISE FOR RESALE		(20.16)	(73.70)	856.00	
METAL ARTS FOUNDRY INC	15,350.00				
O&M - BLDGS & GROUNDS	3,810,247.77	85.85			
O&M - Capitol		1,833,826.64	1,833,826.64	1,788,193.97	1,833,350.94
O&M - Central Plant		83,813.40	83,813.40	81,727.80	83,813.40
O&M - Data Processing		81,465.93	81,465.93	79,438.74	81,465.93
O&M - DUP		161,962.97	161,962.97	157,932.71	161,962.97
O&M - House Building		376,675.78	376,675.78	367,302.64	376,675.78
O&M - Senate Building		376,675.78	376,675.78	367,302.64	376,675.78
O&M - State Office		834,324.30	834,324.30	813,563.10	150,000.00
O&M - Travel Council		45,716.40	45,716.40	44,578.80	45,716.40
O&M - White Chapel		15,238.80	15,238.80	14,859.60	15,238.80
OFFICE SUPPLIES	5,620.65	4,079.90	3,410.96	4,776.14	5,183.48
PACIFIC FITNESS PRODUCTS LLC	-				
PARKING & BUS COSTS	2,047.86	958.34	619.64	256.00	746.74
P-CARD CURRENT EXPENSE	0.00	(0.00)	(0.00)	62.79	432.79
Personnel Services	722,199.25	866,686.99	900,115.46	788,049.04	895,390.70
PHOTOCOPY EXPENSES		100.00			

Vendor/Object Name	2018	2019	2020	2021	2022
PHOTOGRAPHIC SUPPLIES	2,816.40			106.76	
PLASTIC FABRICATING & SUPPLY	17,535.00				
PRINTING & BINDING	1,162.94	1,520.20	562.17	321.03	758.86
PROF & TECH SERVICES	3,041.75	3,206.78	1,001.00	556.00	612.39
RECEPTIONS & MEETINGS	2,550.43	182.95	340.07	662.81	1,061.79
RISK ISF	16,935.50	9,658.00	11,004.00	280,000.00	274,390.00
ROCKY MOUNTAIN WATER	745.80	516.82	297.22	385.11	354.59
SMALL EQUIPMENT	375.75	2,440.89	11,325.50	1,656.41	8,211.11
SOFTWARE RENTAL	411.80	257.88	337.09	944.94	947.16
StateMail	1,642.06	1,429.08	1,579.46	1,717.36	1,455.99
SWIRE COCA COLA USA			4,042.90	2,884.92	3,680.07
THE CHIAVARI COMPANY	5,281.65				14,529.24
Travel/In State	186.94				
Travel/Out of State		857.20	2,237.65		865.58
Trust & Agency Disbursements		388.15			
VIDEO SUPPLIES	2,656.89	144.18			
WIRELESS COMMUNICATION	6,323.01	6,623.68	3,534.57	2,067.04	1,653.25
YASUKO OGINO	890.40		651.23		
AG ISF			3,981.00	8,166.00	8,027.50
Grand Total	4,870,826.07	61,255,716.89	59,757,119.85	5,280,102.32	4,824,771.60

The largest expenditures are the \$56.4 million and \$54.9 million for DFCM project transfers in fiscal years 2019 and 2020. The Legislature appropriated \$110 million one-time in FY 2019 to address space needs for multiple state agencies while simultaneously increasing energy efficiency and reducing the traffic impact on Capitol Hill. In May of 2019, the Executive Appropriations Committee signed off on spending \$56 million for three projects: the purchase and remodel of the Taylorsville American Express Building, North State Capitol Building programming, and state agencies space utilization master planning. The following year, in FY 2020, the Legislature lapsed the remaining balance, \$54 million, to the General Fund to help pay the costs of replacing the State Office Building.

Top Ten Vendors/Objects in FY 2022:

1. Operations and Maintenance on buildings:
 - a. Capitol Building \$1,833,400
 - b. House Building \$376,700
 - c. Senate Building \$376,700
 - d. Daughters of Utah Pioneers Building \$162,000
 - e. State Office Building \$150,000
 - f. Central Plant \$83,800
 - g. Data Processing Center \$81,500
 - h. Travel Council \$45,700
 - i. White Chapel \$15,200

Total \$3,124,900

In fiscal years 2019 and 2020, total O&M costs were \$3,809,700. With reduced usage due to the pandemic, the FY 2021 cost declined to \$3,714,900. In FY 2022, costs declined further to \$3,124,900. Before FY 2022, the State Office Building cost over \$800,000 per year to operate and maintain. After the building was vacated, the Legislature reduced the O&M appropriation to \$150,000 and reallocated the difference to the Taylorsville building. The purpose of the \$150,000

was to provide minimal maintenance on the building such as heating, cooling, and grounds care. With the closure of the State Office Building in FY 2023, the FY 2023 total O&M contract is \$2,893,400.

All O&M is done under contract with the Division of Facilities Construction and Management (DFCM). UCA 63A-5b-701 requires the director of DFCM to "direct or delegate maintenance functions for an agency, except for: (i) the State Capitol Preservation Board; and (ii) an institution of higher education."

Regarding the Daughters of Utah Pioneers museum, the state is paying \$162,000 per year for operations and maintenance on the building. In the last six years, the state has paid over \$500,000 for capital improvements on the building. Agreement documents going back to 1948 and 1973 between the state and the DUP indicate the state is leasing the grounds to the DUP for \$1 per year for 99 years and agreed to pay for "lights, heat, water, and other necessary utilities, and the janitorial services for the building, and matters involved in the proper maintenance of the building." Maintenance of "grounds" was added in the 1973 version.

2. Personnel Services: \$895,400. Detail provided earlier in this report.
3. DFCM Capital Project Transfers: \$400,000. The agency's base budget includes \$400,000 that CPB transfers to DFCM project accounts for separate accounting. This number is broken down to two purposes:
 - a. School Children State Capitol Field Trips \$250,000
 - b. Capital Improvements \$150,000
4. Risk Management Internal Service Fund: \$274,400. For FY 2021, the Division of Risk Management hired an actuary to help set rates. The actuary found that buildings on Capitol Hill had higher values than reflected in premiums. This resulted in a premium increase of \$280,000 which the Legislature authorized paying from the General Fund.
5. DTS Data Processing Charges: \$45,200. This includes items such as web design and maintenance, enterprise licenses, hosting services, security services, desktop support, and network services.

Communication Services and Wireless Communications costs decreased from \$7,200 in FY 2018 to \$1,700 in FY 2022. Board staff reports this is due to a reduction in mobile phone reimbursement. Further, they have reduced desk phones to just one in the Visitor Services Office. They do maintain mobile service for communications on two devices.

School Field Trip Funding

One of the functions of the CPB is to manage the Bus Funding Program, giving grants to local education agencies for field trips to the Capitol. As described above, The Legislature has approved \$300,000 ongoing, from which the CPB uses \$50,000 for a half FTE to administer the program and transfers the other \$250,000 to a DFCM project account for grants. Therefore, expenditures for this purpose are managed out of the project account and do not appear in the CPB expenditure table.

A review of the project account provides the following information since the account's creation in September 2018:

	Receipts	Payments	Balance
FY 2019	226,800	171,200	55,600
FY 2020	278,200	171,900	106,300
FY 2021	250,000	14,900	235,100
FY 2022	250,000	185,000	65,000
FY 2023	164,900	6,800	158,100
Total	1,169,900	549,800	620,100

CPB reports the following number of schools have received grants to visit the Capitol between FY 2019 and 2022:

- FY 2019: 336
- FY 2020: 383
- FY 2021: 7 (COVID Closure)
- FY 2022- 352
- Total: 1,078

For FY 2023, as of October 20, 2022, 38 schools had come for field trips with grant funding and 178 more had received commitments for funding.

Grants for field trips declined in FY 2021 due to the pandemic. The Legislature reduced the FY 2023 appropriation by \$85,100 one-time to claw back a portion of the unused balance.

We recommend the Legislature reallocate unused appropriations for school field trips or expand their purpose. If the CPB authorizes grants at the same pace as in prior fiscal years, additional funds could be clawed back. The board currently receives an ongoing appropriation of \$300,000 per year, from which it keeps \$50,000 for personnel costs to administer the program, leaving \$250,000 for grants. In the past five years (not counting FY 2021 because of the pandemic) the board has made payments averaging \$176,000, leaving an average of \$74,000 unspent and returned to the balance. The Legislature could re-direct to \$74,000 ongoing in FY 2024 and up to \$420,000 one-time in FY 2023 or FY 2024. These funds could be re-directed to CPB personnel, capital improvements, lunches for visiting students, souvenirs, substitute teachers, bus driver lodging, or back to the General Fund.

Three-Year History of Intent Language

2020 General Session

Under terms of Section 63J-1-603(3)(a) Utah Code Annotated, the Legislature intends that appropriations provided for the Capitol Preservation Board in item 15, Chapter 6, Laws of Utah 2019 not lapse at the close of Fiscal Year 2020. Use of any nonlapsing funds is limited to one-time operations costs.

The Legislature intends that the Capitol Preservation Board report by October 31, 2020 to the Executive Appropriations Committee on the following performance measures for the Capitol Preservation Board line item: (1) Stewardship plan for a safe, sustainable environment through maintenance, facility operations, and improvements (Target = 100 year life); (2) Provision of high quality tours, information, and education to the public (Target = 50,000 students and 200,000 visitors annually); (3) Provision of event and scheduling program for all government meetings, free speech activities, and public events (Target = 4,000 annually); and (4) Provision of exhibit and curatorial services on Capitol Hill to maintain the collections of artifacts for use and enjoyment of the general public (Target = 9,000 items).

Under terms of Section 63J-1-603(3)(a) Utah Code Annotated, the Legislature intends that appropriations provided for the Capitol Preservation Board in Senate Bill 3, Item 139, 2020 General Session not lapse at the close of Fiscal Year 2020. Use of any nonlapsing funds is limited to capital projects and associated costs. [Note: The appropriation was for \$82,500,000 for the North Capitol Building project and Capitol Building remodel projects.]

2021 General Session

Under terms of Section 63J-1-603(3)(a) Utah Code Annotated, the Legislature intends that appropriations provided for the Capitol Preservation Board in item 13, Chapter 11, Laws of Utah 2020 not lapse at the close of Fiscal Year 2021. Use of any nonlapsing funds is limited to one-time operations costs.

In accordance with UCA 63J-1-201, the Legislature intends that the Capitol Preservation Board (CPB) report performance measures for the CPB line item, whose mission is "to be the stewards of the Capitol... [to] maintain, improve, and oversee the buildings and grounds on the Capitol Hill Complex." The CPB shall report to the Office of the Legislative Fiscal Analyst and to the Governor's Office of Management and Budget before October 1, 2021 the final status of performance measures established in FY 2021 appropriations bills and the current status of the following performance measures for FY 2022: 1) Stewardship plan for a safe, sustainable environment through maintenance, facility operations, and improvements (Target = 100 year life); 2) Provision of high quality tours, information, and education to the public (Target = 50,000 students and 200,000 visitors annually); 3) Provision of event and scheduling program for all government meetings, free speech activities, and public events (Target = 4,000 annually); and 4) Provision of exhibit and curatorial services on Capitol Hill to maintain the collections of artifacts for use and enjoyment of the general public (Target = 9,000 items).

2022 General Session

Under terms of Section 63J-1-603(3)(a) Utah Code Annotated, the Legislature intends that appropriations provided for the Capitol Preservation Board in item 14, Chapter 4, Laws of Utah 2021 not lapse at the close of Fiscal Year 2022. Use of any nonlapsing funds is limited to one-time operations costs.

In accordance with UCA 63J-1-903, the Legislature intends that the Capitol Preservation Board (CPB) report performance measures for the CPB line item, whose mission is "to be the stewards of the Capitol [to] maintain, improve, and oversee the buildings and grounds on the Capitol Hill Complex." The CPB shall report to the Office of the Legislative Fiscal Analyst and to the Governor's Office of Planning and Budget before October 1, 2022 the final status of performance measures established in FY 2022 appropriations bills. For FY 2023, the CPB shall report the following performance measures: 1) Stewardship plan for a safe, sustainable environment through maintenance, facility operations, and improvements (Target = Report on number of major projects completed); 2) Provision of high quality tours, information, and education to the public (Target = 50,000 students and 200,000 visitors annually); 3) Provision of event and scheduling program for all government meetings, free speech activities, and public events (Target = 4,000 annually); and 4) Provision of exhibit and curatorial services on Capitol Hill to maintain the collections of artifacts for use and enjoyment of the general public (Target = 9,000 items).

Performance Measures

As shown in the intent language section, the Legislature asked the CPB to report on the following for FY 2022. The agency’s report is also shown.

Description	Target	Achievement
Stewardship plan for a safe, sustainable environment through maintenance, facility operations, and improvements.	Report on number of major projects completed	34 major projects occurring the on the Capitol Hill Complex including: -Access Control & Re-key Project -Final Phase East Building Committee Rooms -East Office Building Café Remodel - Drinking Fountain Upgrade -Southwest Grounds Monument Benches -State of Utah Sign Lighting Addition -Cherry Tree Replacement -Secure Parking Entrance Gates Replacement -North Capitol Building -Emergency Operations HVAC - House/Senate Building Roofing Replacement.
Provision of high-quality tours, information, and education to the public	50,000 students and 200,000 visitors annually	Approximate totals are: 38,038 docent led visitors, 4,483 walk in tourists, 7,345 self-guided tours, 26,385 students in docent led tours, and 6,988 students in self-guided tours. 97 schools received formal floor recognitions by their legislators – 66 in the House and 31 in the Senate. 250 groups had a meet-and-greet with their legislators – 158 with House members and 92 with Senate members.
Provision of event and scheduling programs for all government meetings, free speech activities, and public events	4,000 annually	3,039. Continued Covid-19 protocol kept numbers down.
Provision of exhibit and curatorial services on Capitol Hill to maintain the collections of artifacts for use and enjoyment of the general public	9,000 items	9,354. 24 exhibits simultaneously on view with 16 new exhibits from 8 lenders, 300 artworks hung, 7 bronze plaques added, 52 gold aluminum signs added, editing of all exhibit texts, labels, self-guided brochure, flash cards, Governor Herbert's plaque, 8 bronze plaques restored, 2 sculptures restored, 4 repairs to artifacts, furniture, and Visitor Center interactive.

Appendix

Budget Deep Dive Checklist

Purpose: Budget deep dives are intended to allow legislators a more thorough review of program outcomes, spending, and finance in the legislative interim session. But deep dives answer four broad questions: What are we in government attempting to accomplish? How are we organized to accomplish it? What are we buying? How are we paying for it?

Detailed Questions

NAME OF FUNCTION: Capitol Preservation Board (EEA)

What We Are Attempting to Accomplish

1. What authorizes delivery/provision of the function (statute, intent, rule)?

[UCA 63C Chapter 9](#) is known as the "State Capitol Preservation Board."

- *Section 102 defines "Capitol Hill Complex" as the grounds, monuments, parking areas, buildings, including the capitol, and other man-made and natural objects within the area bounded by 300 North Street, Columbus Street, 500 North Street, and East Capitol Boulevard, and includes: (a) the White Community Memorial Chapel and its grounds and parking areas, and the Council Hall Travel Information Center building and its grounds and parking areas; (b) the Daughters of the Utah Pioneers building and its grounds and parking areas and other state-owned property included within the area bounded by Columbus Street, North Main Street, and Apricot Avenue; (c) the state-owned property included within the area bounded by Columbus Street, Wall Street, and 400 North Street; and (d) the state-owned property included within the area bounded by Columbus Street, West Capitol Street, and 500 North Street. "Capitol hill facilities" means all of the buildings on the capitol hill complex, including the capitol, and the exterior steps, entrances, streets, parking areas, and other paved areas of capitol hill. "Capitol hill grounds" means the unpaved areas of the capitol hill complex.*
- *Section 201 creates the Capitol Preservation Board consisting of 11 members: (a) the governor, or the lieutenant governor acting as the governor's designee; (b) the president of the Senate or the president's designee, who shall be a member of the Senate; (c) the speaker of the House of Representatives or the speaker's designee, who shall be a member of the House of Representatives; (d) the state treasurer; (e) the state attorney general; (f) two members of the Senate appointed by the president of the Senate, one from the majority party and one from the minority party; (g) two members of the House of Representatives appointed by the speaker of the House of Representatives, one from the majority party and one from the minority party; (h) the chief justice of the Supreme Court or the chief justice's designee, who shall be a member of the Supreme Court; and (i) the state historic preservation officer.*
- *Section 301 sets out the board's powers. Broadly speaking, with the exception of legislative space and certain aspects in the governor's space, the board's powers include: (a) exercise complete jurisdiction and stewardship over capitol hill facilities, capitol hill grounds, and the capitol hill complex; (b) preserve, maintain, and restore the capitol hill complex, capitol hill facilities, capitol hill grounds, and their contents; (c) approve all changes to the buildings and their grounds; (d) define and identify all significant aspects of the capitol hill complex, capitol hill facilities, and capitol hill grounds; (e) inventory, define, and identify all significant contents of the buildings and all state-owned items of historical significance that were at one time in the buildings; (f) maintain archives relating to the construction and development of the buildings, the contents of the buildings and their grounds; (g) comply with federal and state laws related to program and facility accessibility; (h) establish procedures for receiving, hearing, and deciding complaints or other issues raised about the capitol hill complex; (i) make rules to govern, administer, and regulate the capitol hill complex. The board may establish subcommittees.*
- *Section 401 requires the board to hire an executive director. Section 402 requires the executive director to (a) develop a 20 year master plan for board approval; (b) develop a furnishings plan; (c) develop an annual budget and work plan consistent with the master plan including usual operations and maintenance and janitorial and preventative maintenance for the capitol hill complex; (d) develop an*

operations, maintenance, and janitorial program for capitol hill; (e) develop and maintain a registration system and inventory of the contents of the capitol hill facilities; (f) develop a program to purchase or accept by donation, permanent loan, or outside funding items of historical significance that were at one time in the capitol hill facilities; (g) assist in matters dealing with the preservation of historic materials; (h) make recommendations on conservation needs and make arrangements to contract for conservation services; (i) approve all art and exhibits placed on capitol hill after board approval; (j) employ staff to assist in administering this chapter; (k) contract for professional services; (l) prepare an annual report; (m) develop and manage a visitor services program for capitol hill; and (n) manage and organize all transit and parking programs on capitol hill.

Intent language requires the agency to report on performance measures established in appropriations acts.

The CPB has published 13 [active rules](#):

- *Procurement of Architectural and Engineering Services*
- *Capitol Hill Complex Facility Use*
- *Use of Magnetometers on Capitol Hill*
- *CPB General Procurement Rule*
- *Board Designation of Space*
- *CPB Master Planning Policy*
- *CPB Facilities and Grounds: Maintenance of Aesthetics*
- *Commercial Solicitations*
- *Preservation of Free Speech Activities*
- *Health Reform -- Health Insurance Coverage in State Contracts – Implementation*
- *Parking on Capitol Hill*
- *State Construction Contracts and Drug and Alcohol Testing*
- *Electronic Meetings*

The Capitol Preservation Board are stewards of the Capitol. The Board and its staff maintain and oversee the buildings and grounds on the Capitol Hill Complex. CPB manages four unique programs:

- ***Capitol Stewardship*** *The Board oversees the operation and careful management of the Capitol Hill Complex buildings and grounds. CPB staff oversee all interior building projects and exterior grounds projects as well as communicate with and assist Capitol Hill tenants.*
- ***Visitor Services*** *To accommodate and serve those who visit each year. Many Capitol visitors—from local community groups to far-traveling tourists—take exciting and informative tours with one of the volunteer docents.*
- ***Events & Scheduling*** *The Capitol Events and Scheduling Program managed by CPB schedules events for spaces inside the Capitol and East Senate Building as well as in the White Memorial Chapel, Plazas, Lawn Areas and South Steps of the Capitol Hill Complex. The thousands of events on Capitol Hill range from free speech rallies and government meetings to choir performances and wedding ceremonies.*
- ***Inventory Collections & Curation*** *The Inventory Program tracks all important contents of the Capitol Hill Complex—including all state-owned items of historical significance—and oversees the care and conservation of these items. Inside the Capitol, a wide variety of original artwork, treasured artifacts, and historical furnishings are on display or used functionally. CPB oversees the selection and installation of exhibits, artwork, and statuary in the Capitol Hill Complex.*

2. What other activities are undertaken without explicit authority?

None that we are aware of. Apart from legislative space and certain aspects in the governor's space, the board's statutory powers include exercising complete jurisdiction and stewardship over capitol hill facilities, capitol hill grounds, and the capitol hill complex.

3. What alternative government and non-government resources exist to achieve these outcomes? Why is the state involved?

The State Capitol Complex is a state government resource and stands as perhaps the most prominent symbol of state government. We do contract with private entities for services such as janitorial, capital improvements and other facility projects (overseen by DFCM), and food service. Functions currently run by state governmental entities that are possibilities (though not recommended) for non-governmental organizations include security (Utah Highway Patrol), grounds maintenance (DFCM), capital project and O&M oversight (DFCM), and overall agency administration.

How We Are Organized

4. What organizations are associated with this function?

DFCM, DHRM, DCCE.

5. What are the missions of the organizations associated with that function?

DFCM: Complex operation and maintenance.

DHRM: Personnel management.

DCCE: Art and history collections management.

6. What outcomes are achieved by the organization associated with this function?

Operationally maintained complex.

7. What data is collected/reported to document/demonstrate progress toward the outcome?

- *Budget reports*
 - *Performance measure reports*
 - *Stewardship plan for a safe, sustainable environment through maintenance, facility operations, and improvements*
 - *Provision of high-quality tours, information, and education to the public*
 - *Provision of event and scheduling programs for all government meetings, free speech activities, and public events*
 - *Provision of exhibit and curatorial services on Capitol Hill to maintain the collections of artifacts for use and enjoyment of the general public*
- *Annual report*
- *Board meeting reports*

8. How are appropriations structured to accomplish this function?

All funding in this program comes from the General Fund. However, General Fund appropriations do not fully fund agency operations. We also rely on dedicated credits (revenue collections) which are deposited into the State Capitol Fund and used to pay approximately seven percent - about \$400,000 per year - of our costs. Our largest expense is our O&M contract with DFCM, approximately \$3.1 million each year. Our second largest expense is personnel services at about \$0.9 million per year. These two items, combined with ISF payments of approximately \$0.3 million per year make up 90% of our budget.

9. In what units of measure are outputs reported, how and why have those outputs changed over time?

Please refer to our performance measures above.

10. Are there standards (industry, national, etc.) for output or output per unit of input? How do they compare to this?

There are industry standards for O&M cost per square foot, our largest annual expense. We contract with DFCM for this. The Building Owners and Management Association (BOMA) reports the following average operating costs per square foot in 2016 (we were unable to locate more recent data but we assume it would be higher due to inflation): U.S. Private: \$8.75; U.S. Government: \$8.88; Salt Lake City Private: \$7.76. Our current rate is \$3.91 (see detail below).

11. To whom is performance data reported?

Capitol Preservation Board, Executive Appropriations Committee, Infrastructure and General Government Appropriations Subcommittee, GOPB.

12. What decisions are based on reporting data?

Amount appropriated each year for different areas, how money is used for different projects/areas.

13. How might you recommend the authorization, mission, or performance measurement change?

Given restructuring of buildings, this would not be an ideal time to change. Already so much being impacted. We recommend review and possible measurement changes once the North Building is complete.

What We Are Buying

14. What is the largest category of expenditure for the organization and how big is it?

O&M (\$3.1 million) is our largest expense, followed by personnel services (\$0.9 million).

15. How does this expenditure support the above justification/authorization?

Operationally maintains the buildings and grounds on the Capitol Hill Complex for public/government use, provides personnel to manage the programs.

16. What is that category of expenditure buying (how many/costs per unit)?

Janitorial, utilities, general maintenance, grounds, supplies, compensation.

17. How does the above relate to units of output?

\$3.91 per square foot average for Capitol Complex

Building square feet average:

CAPITOL HILL COMPLEX		
<u>Facility Name</u>	<u>Square Feet</u>	<u>Rate per SF</u>
Capitol Building	329,330	\$5.57
Senate Building	99,914	\$3.77
House Building	99,914	\$3.77
State Office Building	174,692	\$0.86
Data Processing	21,609	\$3.77
Central Plan	17,334	\$4.84
DUP Museum	42,961	\$3.77
Council Hall	9,408	\$4.86
White Chapel	3,246	\$4.69
Total	798,408	\$3.91

18. How has the expenditure changed over five years relative to the units of output?

Maintenance of the State Office Building was reduced from \$834,000 to \$150,000 per year in FY 2022 when it was vacated.

19. Are there any outliers/anomalies in current or budgeted spending in this category?

See response to #18.

20. Does the amount of expenditure for a category change significantly in accounting period 12 or 13? Why?

No.

21. How might you recommend this expenditure category change based on the above?

Does not need to change, bi-annually money moves help to better project where our budget will land at the end of the year. We have already been appropriated ongoing money for maintenance of the new North Building, with one-time offsets until the building is complete.

How We Are Paying For It

22. What is the largest fund or account from which resources are drawn to support the above expenditures and how big is it?

O&M, approximately \$3 million paid annually from the General Fund in our main line item.

23. What are the revenue sources for that fund or account and what are their relative shares?

The General Fund is funded mostly by sales taxes.

24. Is the source one-time or ongoing and do ongoing sources match or exceed ongoing expenditures?

It is ongoing as are the sources.

25. How has the source changed over time relative to expenditures and units of output?

Source has not changed, amount changes relative to costs of contracts.

26. Are there any outliers/anomalies in current or budgeted periods for this source?

N/A

27. Are there unencumbered balances in a source that relate directly to his function/organization? If so, how have those balances changed over time?

Not in this line item, but we carry forward fund balances in the State Capitol Fund (a separate line item).

28. What is a reasonable balance and why?

See response in the State Capitol Fund line item.

29. Is the availability of sources (grants or previous "building blocks"), rather than mission or objective, driving expenditures?

N/A

30. Are other sources available to support the same expenditure?

Dedicated credits.

31. How might you recommend this revenue category change based on the above?

N/A

Do We Balance?

32. What are total expenditures and total sources? Do they equal one another?

No, we have to pull from the State Capitol Fund to cover personnel to make EEA balance.

33. Have all appropriated or authorized sources been expended at year-end?

Yes.

34. How have nonlapsing appropriation balances (if any) changed over time?

We do not have nonlapsing balances in this line item.

35. Are fees or taxes supporting a function, and are those fees or taxes reasonable?

We collect fee revenue and deposit it in the State Capitol Fund, which supports our overall operation.

Budget Deep Dive Checklist

Purpose: Budget deep dives are intended to allow legislators a more thorough review of program outcomes, spending, and finance in the legislative interim session. But deep dives answer four broad questions: What are we in government attempting to accomplish? How are we organized to accomplish it? What are we buying? How are we paying for it?

Detailed Questions

NAME OF FUNCTION: State Capitol Fund (2020)

What We Are Attempting to Accomplish

1. What authorizes delivery/provision of the function (statute, intent, rule)?
63C-9-501. Soliciting donations.

(1) *The executive director, under the direction of the board, shall:*

(a) *develop plans and programs to solicit gifts, money, and items of value from private persons, foundations, or organizations; and*

(b) *actively solicit donations from those persons and entities.*

(2)

(a) *Property provided by those entities is the property of the state and is under the control of the board.*

(b) *Subsection (2)(a) does not apply to temporary exhibits or to the personal property of persons having an office in a building on capitol hill.*

(3) *The board:*

(a) *shall deposit money donated to the board into the State Capitol Fund established by this part; 63C-9-502. Fund created -- Donations.*

(1) *There is created an expendable special revenue fund entitled the "State Capitol Fund."*

(2) *The fund consists of money generated from the following revenue sources:*

(a) *any donations, deposits, contributions, gifts, money, and items of value received from private persons, foundations, or organizations;*

(b) *appropriations made to the fund by the Legislature; and*

(c) *money received by the board from the federal government.*

(3)

(a) *The fund shall earn interest.*

(b) *All interest earned on fund money shall be deposited into the fund.*

(4) *The board may use fund money to:*

(a) *acquire historical and other items to furnish the capitol hill facilities;*

(b) *pay for the repair and maintenance of the capitol hill facilities and capitol hill grounds;*

(c) *pay for the rehabilitation of the capitol hill facilities and capitol hill grounds; and*

(d) *fund all costs incurred in complying with this chapter.*

The Capitol Preservation Board are stewards of the Capitol. The Board and its staff maintain and oversee the buildings and grounds on the Capitol Hill Complex. CPB manages four unique programs:

- **Capitol Stewardship** *The Board oversees the operation and careful management of the Capitol Hill Complex buildings and grounds. CPB staff oversee all interior building projects and exterior grounds projects as well as communicate with and assist Capitol Hill tenants.*
- **Visitor Services** *To accommodate and serve those who visit each year. Many Capitol visitors—from local community groups to far-traveling tourists—take exciting and informative tours with one of the volunteer docents.*
- **Events & Scheduling** *The Capitol Events and Scheduling Program managed by CPB schedules events for spaces inside the Capitol and East Senate Building as well as in the White Memorial Chapel, Plazas, Lawn Areas and South Steps of the Capitol Hill Complex. The thousands of events on Capitol Hill range from free speech rallies and government meetings to choir performances and wedding ceremonies.*
- **Inventory Collections & Curation** *The Inventory Program tracks all important contents of the Capitol Hill Complex—including all state-owned items of historical significance—and oversees the care and conservation of these items. Inside the Capitol, a wide variety of original artwork, treasured artifacts, and historical furnishings are on display or used functionally. CPB oversees the selection and installation of exhibits, artwork, and statuary in the Capitol Hill Complex.*

2. What other activities are undertaken without explicit authority?

N/A

3. What alternative government and non-government resources exist to achieve these outcomes? Why is the state involved?

N/A

How We Are Organized

4. What organizations are associated with this function?

Public and Government events on Capitol Hill.

5. What are the missions of the organizations associated with that function?

To provide a safe, well maintained Capitol Hill Complex to be utilized for all functions noted above in #1.

6. What outcomes are achieved by the organization associated with this function?

The People's House being visited and used for public and government events, free speech, and tourism by maintaining successful programs in functions previously described.

7. What data is collected/reported to document/demonstrate progress toward the outcome?

Laser door counters track number of people entering in the main doors of the Capitol Building, spreadsheets are maintained tracking use of all CPB rooms being reserved, equipment used for event spaces, separating government from public and free speech, flags purchased, lockers rented, and labor hours involved in accomplishing requests for location rentals.

8. How are appropriations structured to accomplish this function?

All funding in this program comes from dedicated credits raised by rentals and sales of goods and services. Since General Fund appropriations do not fully fund agency operations, we rely on dedicated credits to pay approximately seven percent - about \$400,000 per year – of our costs.

9. In what units of measure are outputs reported, how and why have those outputs changed over time?

Please refer to our performance measures described above.

10. Are there standards (industry, national, etc.) for output or output per unit of input? How do they compare to this?

Not that we are aware of.

11. To whom is performance data reported?

Executive Appropriation Committee annually, Capitol Preservation Board Meeting annually, GOPB.

12. What decisions are based on reporting data?

N/A - this is revenue we do our best to earn to maintain personnel and office operations.

13. How might you recommend the authorization, mission, or performance measurement change?

It becomes challenging to estimate dedicated credit budgets when our office function is directly affected by elements that cannot be controlled and result in the loss of revenue. Examples include the tile replacement project in the Capitol, closing the complex during Covid with minimal events once reopened, the demolition of the State Office Building and revenue loss for location rentals affected by varying construction projects throughout the complex.

What We Are Buying

14. What is the largest category of expenditure for the organization and how big is it?

#1 Personnel - amount transferred to cover personnel in EEA average for the last three years is \$255,000.

#2 DTS - \$50,000 in FY21, \$74,900 budgeted for FY22. Average for the last three years is \$55,812.00.

15. How does this expenditure support the above justification/authorization?

Provides staffing needed to maintain department and functions,

Gives equipment needed to complete functions of job.

16. What is that category of expenditure buying (how many/costs per unit)?

10 FTE.

Phones, computers, internet to assist each of CPB's employees.

17. How does the above relate to units of output?

N/A

18. How has the expenditure changed over five years relative to the units of output?

Staffing was cut back due to COVID effects.

19. Are there any outliers/anomalies in current or budgeted spending in this category?

Yes, when fully staffed. Open positions that are not yet filled due to budget restraints as well as some staff members who voluntarily reduced their weekly working hours during COVID and have not requested to add them back in yet.

20. Does the amount of expenditure for a category change significantly in accounting period 12 or 13? Why?

Money will be moved from this line item to our main line item (EEA) to cover overage expenditures in EEA from personnel.

21. How might you recommend this expenditure category change based on the above?

N/A

How We Are Paying For It

22. What is the largest fund or account from which resources are drawn to support the above expenditures and how big is it?

Majority of expenditures are paid by rentals, largest revenue is location/locker rentals.

23. What are the revenue sources for that fund or account and what are their relative shares?

Location rentals according to the fee schedule.

24. Is the source one-time or ongoing and do ongoing sources match or exceed ongoing expenditures?

One-time, depending on location rentals.

25. How has the source changed over time relative to expenditures and units of output?

Changes are economy driven.

26. Are there any outliers/anomalies in current or budgeted periods for this source?

Yes, rentable spaces have been manipulated to accommodate needs for COVID and North Capitol Building construction project.

27. Are there unencumbered balances in a source that relate directly to his function/organization? If so, how have those balances changed over time?

We carry forward fund balances in this line item. Balances have grown over time thanks to our efforts to contain costs and employees volunteering to reduce working hours during the pandemic.

28. What is a reasonable balance and why?

Enough to cover potential short-term revenue declines due to pandemic, construction, or economic downturns, to pay for things such as personnel, O&M, risk insurance, and capital improvements. We must generate dedicated credits to help offset our costs.

29. Is the availability of sources (grants or previous "building blocks"), rather than mission or objective, driving expenditures?

N/A

30. Are other sources available to support the same expenditure?

N/A

31. How might you recommend this revenue category change based on the above?

N/A

Do We Balance?

32. What are total expenditures and total sources? Do they equal one another?

Currently CPB has more sources than expenditures, leaving us with dedicated credits/retained earnings. This is expected to change with the North Capitol Building construction project affecting rentable spaces, plus the loss of T-mobile and DTS revenue.

33. Have all appropriated or authorized sources been expended at year-end?

No, they are held in retained earnings.

34. How have nonlapsing appropriation balances (if any) changed over time?

Varies depending on revenue sources. The last few years nonlapsing balances have increased, but they are expected to decrease in the next few years due to circumstances affecting Capitol Hill from the replacement of the State Office Building.

35. Are fees or taxes supporting a function, and are those fees or taxes reasonable?

N/A