

Office of the  
Legislative Fiscal Analyst

## **FY 2002 Budget Recommendations**

Joint Appropriations Subcommittee for  
Capital Facilities and Administrative Services

Utah Department of Administrative Services  
**Internal Service Funds**  
**DFCM Facility Management**

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information



**1.0 Summary: Division of Facilities Construction and Management - Facilities Management**

The Internal Service Fund program within DFCM is responsible for the operation and maintenance of 4 million square feet of state owned space. DFCM will provide maintenance, janitorial and security services for any agency occupying state owned space. In order to keep prices as low as possible, DFCM must compete with private sector vendors in getting maintenance contracts.

	<b>Analyst FY 2002 Base</b>	<b>Analyst FY 2002 Changes</b>	<b>Analyst FY 2002 Total</b>
<b>Financing</b>			
Dedicated Credits - Intragovernmental Re	15,535,800		15,535,800
Restricted Revenue	2,765,000		2,765,000
<b>Total</b>	<u>\$18,300,800</u>	\$0	<u>\$18,300,800</u>
<b>Programs</b>			
ISF - Facilities Management	18,300,800		18,300,800
<b>Total</b>	<u>\$18,300,800</u>	\$0	<u>\$18,300,800</u>
<b>FTE/Other</b>			
Total FTE	120	2	122
Authorized Capital Outlay	\$80,000	\$0	\$80,000
Retained Earnings	\$1,797,300	(\$256,000)	\$1,541,300
Vehicles	67	0	67

**2.0 Issues:**

**2.1 Rate Adjustments for Fiscal Year 2001**

The table below identifies those facilities for which DFCM is requesting a rate change in Fiscal Year 2002. The primary reason for increases is the use of retained earnings to cover operating losses at various locations. For facilities with growing operating losses, a new rate is proposed to offset those losses over a three or four year period. Other rate changes will offset costs for salary increases, enhanced services, and new square footage.

<b>Location</b>	<b>Amount</b>	<b>Reason</b>
Ogden Regional Center	\$30,000	Eliminate operating deficit.
Capitol Hill Complex	\$120,000	Personnel, contracts and overhead
Governor's Mansion	\$10,000	Private security contract.
State Library	(\$50,000)	Initial estimates overcharged users.
Driver's License	\$5,000	Eliminate operating deficit.
USOE	\$20,000	Eliminate operating deficit.
DWS Provo	\$15,000	Eliminate operating deficit.
DWS St. George	\$7,500	Eliminate operating deficit.
Cedar City Courts	\$10,000	Eliminate operating deficit.

**2.2 Note of Concern: Current Year Service Changes**

Several agencies requested additional services after the conclusion of the 2000 Legislative Session. DFCM has the ability to enhance services, but the agencies do not have an appropriation for such changes. Agencies pledge payment to DFCM from “existing budgets” then request supplemental appropriations to cover those expenses. This has the potential to create a significant impact on the budget process. Further consideration is given to this topic in section 3.2.

**2.3 Transfer of FTE from Planning and Design**

The DFCM Planning and Design program mission switched from space planning to CAD standardization and cataloging of plans and documents. This is an important role for DFCM, but one that should not be located in the Planning and Design program. The Analyst recommends the transfer of two FTE from Planning and Design to the Management program. DFCM will use existing funds or retained earnings to cover these salaries. More information is available behind the *Planning and Design* tab of the Analyst’s Budget Recommendation.

**3.0 Programs – Division of Facilities Construction and Management**

**3.1 Recommendation**

The Analyst is recommending the Agency request plus the transfer of 2 FTE from the Planning and Design program. Restricted revenue comes from transfers to maintain the Governor’s Mansion and Capitol Hill Facilities.

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>Est/Analyst</b>
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
Dedicated Credits - Intragovernmental	15,086,000	16,379,800	15,535,800	(844,000)
Restricted Revenue	2,502,900	2,635,000	2,765,000	130,000
Trust and Agency Funds	300			
<b>Total</b>	<u>\$17,589,200</u>	<u>\$19,014,800</u>	<u>\$18,300,800</u>	<u>(\$714,000)</u>
<b>Expenditures</b>				
Personal Services	5,819,700	5,759,500	5,146,300	(613,200)
In-State Travel	24,900	29,900	14,100	(15,800)
Out of State Travel	15,900	24,200	30,000	5,800
Current Expense	11,717,300	12,155,800	12,071,100	(84,700)
DP Current Expense	129,900	124,000	100,100	(23,900)
DP Capital Outlay	74,100	92,900	73,000	(19,900)
Other Charges/Pass Thru	119,300	187,200	229,600	42,400
<b>Total</b>	<u>\$17,901,100</u>	<u>\$18,373,500</u>	<u>\$17,664,200</u>	<u>(\$709,300)</u>
Profit/Loss	<u>(\$311,900)</u>	<u>\$641,300</u>	<u>\$636,600</u>	<u>(\$4,700)</u>
<b>FTE/Other</b>				
Total FTE	129	129	122	(7)
Authorized Capital Outlay	\$172,680	\$38,311	\$80,000	41,689
Retained Earnings	\$371,700	\$1,013,000	\$1,541,300	528,300
Vehicles		67	67	

*FTE Counts*

Until 1999, DFCM had been able to add FTE to its payroll only if there were an equivalent staff reduction in another agency. As noted in section 2.2, agencies often requested DFCM for new or expanded services from DFCM during the course of the year. Prior to the change, this hurt customer service and competitive abilities since DFCM could only expand services if it could be done within existing staff. To alleviate this problem, the Legislature approved the following intent language:

*It is the intent of the Legislature that DFCM's internal service fund may add FTEs beyond the authorized level if new facilities come on line or maintenance agreements are requested. Any added FTEs will be reviewed and approved by the Legislature in the next Legislative Session.*

During the course of the year, DFCM FTE counts remained below their authorized level. The Analyst believes that the intent language is sound and should be approved for FY 2002.

### **3.2 Note of Concern: Post-Session Service Changes**

Several agencies requested additional services after the conclusion of the 2000 Legislative session. DFCM has the ability to enhance services, but the agencies do not have an appropriation for such changes. Agencies pledge payment to DFCM from “existing budgets” then request supplemental appropriations to cover those expenses. These services are often new security guards contracted through a private provider.

DFCM is in the service business and has performed well in developing solutions for the state agencies that make up its clientele. The concern with this issue is not with DFCM, but with the agencies that are using existing budgets to purchase expanded services.

If agencies have extra funds in their budget, it seems that they should inform the Legislature of that fact. If increases are funded through the Internal Service Fund, the Analyst believes there is a danger that agencies will see post-session service changes as a way to circumvent the appropriation process and tie the hands of the Legislature in making budget allocations.

**4.0 Additional Information: Division of Facilities Construction and Management - Facilities Management**

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>
Dedicated Credits - Intragovernmental	14,349,400	16,546,900	15,086,000	16,379,800	15,535,800
Restricted Revenue			2,502,900	2,635,000	2,765,000
Trust and Agency Funds			300		
<b>Total</b>	<b>\$14,349,400</b>	<b>\$16,546,900</b>	<b>\$17,589,200</b>	<b>\$19,014,800</b>	<b>\$18,300,800</b>
<b>Programs</b>					
ISF - Facilities Management	14,349,400	16,546,900	17,589,200	19,014,800	18,300,800
<b>Total</b>	<b>\$14,349,400</b>	<b>\$16,546,900</b>	<b>\$17,589,200</b>	<b>\$19,014,800</b>	<b>\$18,300,800</b>
<b>Expenditures</b>					
Personal Services	4,057,200	5,393,100	5,819,700	5,759,500	5,146,300
In-State Travel	12,000	30,900	24,900	29,900	14,100
Out of State Travel	7,100	26,500	15,900	24,200	30,000
Current Expense	10,016,000	10,985,400	11,717,300	12,155,800	12,071,100
DP Current Expense	109,300	133,300	129,900	124,000	100,100
DP Capital Outlay	129,800	113,700	74,100	92,900	73,000
Other Charges/Pass Thru			119,300	187,200	229,600
Depreciation	64,900	64,700			
<b>Total</b>	<b>\$14,396,300</b>	<b>\$16,747,600</b>	<b>\$17,901,100</b>	<b>\$18,373,500</b>	<b>\$17,664,200</b>
Profit/Loss	(\$46,900)	(\$200,700)	(\$311,900)	\$641,300	\$636,600
<b>FTE/Other</b>					
Total FTE	117	107	129	120	122
Authorized Capital Outlay	\$93,200	\$172,700	\$172,680	\$38,311	\$119,221
Retained Earnings	\$884,100	\$683,400	\$371,700	\$1,013,000	\$1,541,300
Vehicles				67	67