

Office of the  
Legislative Fiscal Analyst

## **FY 2002 Budget Recommendations**

Joint Appropriations Subcommittee for  
Capital Facilities and Administrative Services

Utah Department of Administrative Services  
**Division of Information Technology Services**  
**Appropriated Items**

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**1.0 Summary: Division of Information Technology Services (ITS) - Appropriated Items**

The Division of Information Technology Services (ITS) essentially operates as an Internal Service Fund (ISF), recovering its cost of operations by billing its user-agencies. However, the Legislature has in the past provided direct appropriations for certain activities such as the collection, integration, and dissemination of spatial information and payment of emergency service telephone fees. Direct appropriations are shown separately in this tab. For a complete picture of ITS programs, see the “ITS Internal Service Fund” tab.

	<b>Analyst FY 2002 Base</b>	<b>Analyst FY 2002 Changes</b>	<b>Analyst FY 2002 Total</b>
<b>Financing</b>			
General Fund	376,600		376,600
Federal Funds	750,000		750,000
Dedicated Credits Revenue	344,600		344,600
<b>Total</b>	<b>\$1,471,200</b>	<b>\$0</b>	<b>\$1,471,200</b>
<b>Programs</b>			
Automated Geographic Ref Ctr	1,471,200		1,471,200
<b>Total</b>	<b>\$1,471,200</b>	<b>\$0</b>	<b>\$1,471,200</b>
<b>FTE/Other</b>			

## **2.0 Issues: Information Technology Services (ITS) - Appropriated Items**

### **2.1 AGRC Operating Revenue**

Since 1993, the Automated Geographic Reference Center (AGRC) has operated as a pseudo internal service fund, with General Fund appropriations augmenting Federal grants, dedicated credits revenue, and transfers from other Internal Service Funds. The FY 2000 Appropriations Bill included intent language directing the AGRC to study future funding options that would clarify its status as either an internal service fund or an appropriated function. As a result of that study, should additional resources become available, the Analyst would recommend an additional \$103,700 from the General Fund for AGRC.

**General Fund (tentative) .....\$103,700**

### 3.0 Programs: Information Technology Services (ITS) – Appropriated Items

#### 3.1 Automated Geographic Reference Center

##### Recommendation

The Analyst recommends \$376,600 for the Automated Geographic Reference Center as detailed in the table below. This reflects the non-recurrence of (\$500,000) in one-time General Funds provided for road and monument mapping.

Should additional funds become available, the Analyst would also recommend \$103,700 ongoing from the General Fund to cover salaries and operating costs previously subsidized by other ITS activities.

	2000 Actual	2001 Estimated	2002 Analyst	Est/Analyst Difference
<b>Financing</b>				
General Fund	376,600	376,600	376,600	
General Fund, One-time		500,000		(500,000)
<b>Total</b>	<u>\$376,600</u>	<u>\$876,600</u>	<u>\$376,600</u>	<u>(\$500,000)</u>
<b>Expenditures</b>				
Other Charges/Pass Thru	376,600	876,600	376,600	(500,000)
<b>Total</b>	<u>\$376,600</u>	<u>\$876,600</u>	<u>\$376,600</u>	<u>(\$500,000)</u>
<b>FTE/Other</b>				

##### Purpose

The Automated Geographic Reference Center (AGRC) was formally created as an operating unit of the Division of Information Technology Services (ITS) by the *Recodification of Department of Administrative Services* act (House Bill 88, 1993 General Session, Section 63A-6-202 Utah Code Annotated). It is mandated to provide geographic information system services to State agencies, the federal government, municipalities, and private persons through utilizing a standardized and integrated State Geographic Information Database (SGID). The Center has received a direct appropriation since 1984, but is authorized, through ITS, to set fees for its services.

Geographic information is useful in a number of government applications, including natural resource management, infrastructure development and maintenance, and the establishment of political boundaries. It is also valuable in the private sector for activities such as commercial and residential development, marketing, and delivery/distribution.

A Geographic Information System (GIS) uses computers to integrate like geographic information “horizontally” across large areas – in the case of the AGRC, across the State of Utah. GIS also integrates data “vertically” allowing users to cross-reference multiple sets of data for a given geographic region – for instance, allowing a user to easily identify the roads, hospitals, convenience stores, and elected officials for his or her neighborhood. The integration of geographic information increases its value exponentially.

The AGRC continues to collect and integrate geographic information from numerous sources into a common GIS, the State Geographic Information Database. SGID is available on-line at <http://www.its.state.ut.us/agrc/>.

**Intent Language**

The Legislature included the following intent language in the *Annual Appropriations Act* (Senate Bill 1, 2000 General Session), page 29, Item 68:

*It is the intent of the Legislature that, for the Fiscal Year ending June 30, 2001 only, the Department of Administrative Services Division of Information Technology Services use \$300,000 from operating revenues to fund acquisition and integration activities of the Automated Geographic Reference Center.*

*Current operations subsidized by other ITS functions*

According to its budget submission, the Division of Information Technology Services intends to provide \$300,000 in revenue from other activities to cover AGRC ongoing operational costs. AGRC's retained earnings will dip below (\$600,000), wholly offset by positive retained earnings in other parts of ITS.

The Legislature also included this intent language in Item 68:

*It is the intent of the Legislature that the Department of Administrative Services, Division of Information Technology Services prepare a report analyzing funding options for the Automated Geographic Reference Center (UCA 63A-6-202) and the State Geographic Information Database (UCA 63A-6-203). This analysis should include information on elimination of General Fund appropriation, rate increases necessary to cover base funding requirements, impacted services to customers, and effects on State obligations and opportunities. The Department shall report findings to the Executive Appropriations Committee and the Information Technology Commission before September 1, 2000.*

AGRC presented its report to the Information Technology Commission on August 17, 2000 and in writing to the Executive Appropriations Committee. It found that charging AGRC users for data would cost more in reciprocal charges than it earned, and that charging for additional value added services would cause anti-competition problems.

*State's return on AGRC investment an order of magnitude*

AGRC noted that it currently trades data with local entities and the Federal government on a barter basis or for a reduced fee. Through such reciprocal arrangements, AGRC reported it received more than \$2.2 million worth of Ortho Quarter Quads and Digital Line Graphs for less than \$280,000. – a nearly ten-fold return on investment. AGRC fears that charging its partners for data would jeopardize these benefits.

AGRC further noted that it did not include the sale of value added services in its mission and feared that such sale would directly compete with private sector GIS companies and engineering firms.

In light of AGRC's report, and recognizing the value of spatial data to the state and its citizens, the Analyst agrees that AGRC's operations should be fully funded through existing dedicated credit revenues and the General Fund.

Given the change in status from an Internal Service Fund to an appropriated line item, the Analyst further believes that AGRC's personal service funding should be subject to greater scrutiny, as are the personal service costs of all other appropriated entities. Such scrutiny would include a reduction of as much as (\$183,900) in turn-over savings as well as a cut of (\$12,400) due to lower retirement rates.

*Add \$103,700 to  
funding priorities list  
for AGRC*

Therefore, the Analyst recommends the Subcommittee consider adding to its funding priorities list \$103,700 for the cost of AGRC's ongoing operations. AGRC employees would then receive compensation adjustments based upon the Legislature's final compensation package.

### 3.2 Emergency Services Telephone

**Recommendation** The Analyst recommends no funding for Emergency Services Telephone fees in FY 2002.

	2000 Actual	2001 Estimated	2002 Analyst	Est/Analyst Difference
<b>Financing</b>				
General Fund	15,000			
<b>Total</b>	<u>\$15,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
Current Expense	15,000			
<b>Total</b>	<u>\$15,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>FTE/Other</b>				

**Purpose** The *Emergency Services Telephone Charge* act (Senate Bill 221, 1998 General Session) authorized a charge of 10 cents per month on each switched access line and each revenue producing radio communications access line that is subject to an emergency services telephone charge. The fee is collected to fund 911 access and the Poison Control Center. Appropriations bills provided \$15,000 in FY 1999 and FY 2000 directly to ITS to cover this charge for State government entities. However, for the current and future years, the charge is recovered through ITS telephone rates.



**4.0 Additional Information: Division of Information Technology Services – Appropriated Items****4.1 Funding History**

	<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>
General Fund	521,900	391,600	391,600	376,600	376,600
General Fund, One-time		650,000		500,000	
<b>Total</b>	<b>\$521,900</b>	<b>\$1,041,600</b>	<b>\$391,600</b>	<b>\$876,600</b>	<b>\$376,600</b>
<b>Programs</b>					
Local Government Radio/Microwave	145,300				
Automated Geographic Ref Ctr	376,600	1,026,600	376,600	876,600	376,600
Emergency Services Telephone		15,000	15,000		
<b>Total</b>	<b>\$521,900</b>	<b>\$1,041,600</b>	<b>\$391,600</b>	<b>\$876,600</b>	<b>\$376,600</b>
<b>Expenditures</b>					
Personal Services	376,600	1,026,600			
Current Expense	145,300	15,000	15,000		
Other Charges/Pass Thru			376,600	876,600	376,600
<b>Total</b>	<b>\$521,900</b>	<b>\$1,041,600</b>	<b>\$391,600</b>	<b>\$876,600</b>	<b>\$376,600</b>
<b>FTE/Other</b>					