

Office of the
Legislative Fiscal Analyst

FY 2003 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.

	Analyst FY 2003 Base	Analyst FY 2003 Changes	Analyst FY 2003 Total
Financing			
General Fund	376,600		376,600
Total	<u>\$376,600</u>	<u>\$0</u>	<u>\$376,600</u>
Programs			
Automated Geographic Ref Center	376,600		376,600
Total	<u>\$376,600</u>	<u>\$0</u>	<u>\$376,600</u>

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 2001 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, the Analyst recommended additional appropriations be provided to AGRC to cover its full operating costs in FY 2002. Those appropriations were provided on a one-time basis and do not recur in FY 2003. AGRC's budget request for FY 2003 suggests that these further General Fund appropriations are no longer necessary.

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, \$300,000 of which was provided for operating expenses, and \$200,000 of which was provided for local government mapping activities in FY 2002.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	376,600	376,600	376,600	
General Fund, One-time	500,000	500,000		(500,000)
Total	<u>\$876,600</u>	<u>\$876,600</u>	<u>\$376,600</u>	<u>(\$500,000)</u>
Expenditures				
Other Charges/Pass Thru	876,600	876,600	376,600	(500,000)
Total	<u>\$876,600</u>	<u>\$876,600</u>	<u>\$376,600</u>	<u>(\$500,000)</u>

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). AGRC 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 with \$200,000 in one-time General Funds in the *Supplemental Appropriations Act II* (Senate Bill 3, 2001 General Session), page 6, Item 37:

It is the intent of the Legislature that these funds be used to support rural government efforts to locate or establish survey control corners and enable digital parcel mapping activities. This funding will go directly to rural subdivisions of the state to be used for the protection of citizens' private property rights and public benefit through inclusion in the State Geographic Information Database. Distribution of funds by the Automated Geographic Reference Center will be based on the recommendations developed after consultation with the Rural Partnership Board and the Utah Association of Counties.

AGRC has distributed the funds as follows:

Allication of FY 2002 Local Mapping Appropriation	
County	Amount
Rich County	\$12,000
Box Elder County	\$8,000
Morgan County	\$8,000
Wayne County	\$8,000
Millard County	\$10,000
Carbon County	\$10,000
Juab County	\$15,000
Uintah County	\$12,000
Sanpete County	\$10,000
Tooele County	\$8,000
Iron County	\$12,000
Piute County	\$6,000
Emery County	\$10,000
Grand County	\$10,000
Beaver County	\$10,000
Summit County	\$15,000
Cache County	\$6,000
Washington County	\$10,000
Daggett County	\$8,000
Wasatch County	\$12,000
Total	<u><u>\$200,000</u></u>

No Need for Ongoing Funds

In a report AGRC presented 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.

GIS framework provides coordination among government agencies

In the past year, AGRC has made great strides in establishing a framework upon which all State geographic data, as well as some federal and local data, will be collected and catalogued. The framework clarifies the roles of various departments and eliminates duplication of effort in data collection, storage, and analysis.

In light of AGRC's report, as well as its emerging role as coordinator of state GIS activities, and recognizing the value of spatial data to the state and its citizens, the Analyst recommended in FY 2002 that additional state appropriations be provided to AGRC. These appropriations were provided on a one-time basis with the understanding that the issue would be revisited in FY 2003.

Both AGRC's initial and revised budget requests for FY 2003 suggest that the center does not need further State funds for operation in the next fiscal year. As described in the Information Technology Services Internal Service Fund budget analysis, the Center will cover its operating costs through a combination of state funds and dedicated credits revenue.

Faced with tight revenue in FY 2003, the Analyst is not recommending further General Fund appropriations for AGRC.

4.0 Additional Information: Division of Information Technology Services – Appropriated Items

4.1 Funding History

	1999	2000	2001	2002	2003
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	391,600	391,600	376,600	376,600	376,600
General Fund, One-time	650,000		500,000	200,100	
Total	\$1,041,600	\$391,600	\$876,600	\$576,700	\$376,600
Programs					
Automated Geographic Reference Center	1,026,600	376,600	876,600	876,600	376,600
Information Technology Services				(299,900)	
Emergency Services Telephone	15,000	15,000			
Total	\$1,041,600	\$391,600	\$876,600	\$576,700	\$376,600
Expenditures					
Personal Services	1,026,600				
Current Expense	15,000	15,000			
Other Charges/Pass Thru		376,600	876,600	576,700	376,600
Total	\$1,041,600	\$391,600	\$876,600	\$576,700	\$376,600