

Compendium of Budget Information for the 2014 General Session

**Retirement and Independent Entities
Appropriations Subcommittee**

Agency: Human Resource Management

Line Item: ISF - Human Resource Management

Function

The ISF operated by DHRM provides consolidated services to all state agencies. The ISF has three programs: Field Services, Payroll Field Services, and Legal Services.

Statutory Authority

UCA 67-19-5(6) allows the department to operate an internal service fund in accordance with UCA 63J-1-410 for the human resource functions the department provides.

In order to control the size, mission and fees charged to state agencies, the Legislature imposed statutory controls (UCA 63J-1-410) that require ISFs to respond to the legislative budget process. No ISF can bill another agency for its services unless the Legislature has: approved the ISF's budget request, FTE, capital acquisitions, rates, fees, and other charges; published the annual rates and fees in an appropriations act; and appropriated the ISF's estimated revenue.

Working capital for operations must be provided from the following sources in the following order: 1. Operating revenues, 2. Long-term debt, and 3. Appropriations from the Legislature.

To eliminate negative working capital, an ISF may borrow from the General Fund as long as the debt is repaid over the useful life of the asset and the deficit working capital is greater than ninety percent of the value of the ISF's fixed assets.

Performance

Measure Title	Purpose of Measure	FY 2010	FY 2011	FY 2012	FY 2013
Achieve balanced retained earnings	Assure equitable and fair charges apply to agencies.	\$3,419,634	\$3,130,294	\$2,386,900	\$1,544,231

HR field staff to core agency employee ratio	Efficiency in performing HR services in the field.	1:134	1:139	1:142	1:145
Customer Satisfaction	Identify areas of improvement	3.4/4.0	3.3/4.0	3.3/4.0	3.2/4.0

Issues/Analysis

When the responsibility for Attorney General legal services was transferred to DHRM in FY 2012, it included an ongoing appropriation from the General Fund for \$100,000 (this has since been reduced to \$96,500). This money has been added to the fees collected by the ISF and transferred to the AG's office. The analyst recommends capturing this amount through the fee and returning this appropriation to the General Fund.

For the Department of Human Resources (DHRM) Internal Service Fund, the Analyst recommends estimated revenue of \$11,736,100 and 142 authorized FTE for FY 2015.

The analyst recommends the following rates for the DHRM ISF for FY 2015:

- HR & Payroll Services - \$628 per FTE
- HR Services Only - \$564 per FTE
- Attorney General Legal Fees - \$24.38 per FTE

Funding Detail

Rates are based on a detailed analysis of the costs of providing human resource functions statewide. The intent behind creation of the ISF was to save money or at worst be revenue neutral with improved coordination and control.

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Dedicated Credits - Intragvt Rev	\$10,549,100	\$11,591,400	\$33,900	\$11,625,300	\$463,900	\$12,089,200
Total	\$10,549,100	\$11,591,400	\$33,900	\$11,625,300	\$463,900	\$12,089,200

Programs	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
ISF - Field Services	\$10,096,000	\$11,137,900	\$33,900	\$11,171,800	\$463,900	\$11,635,700

ISF - Payroll Field Services	\$453,100	\$0	\$0	\$0	\$0	\$0
ISF - Legal Services	\$0	\$453,500	\$0	\$453,500	\$0	\$453,500
Total	\$10,549,100	\$11,591,400	\$33,900	\$11,625,300	\$463,900	\$12,089,200

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$9,599,000	\$9,955,700	\$692,000	\$10,647,700	(\$134,700)	\$10,513,000
In-state Travel	\$9,400	\$30,000	(\$14,000)	\$16,000	(\$1,000)	\$15,000
Out-of-state Travel	\$15,500	\$26,000	\$14,000	\$40,000	(\$10,000)	\$30,000
Current Expense	\$537,300	\$1,158,900	(\$305,400)	\$853,500	\$121,100	\$974,600
DP Current Expense	\$796,100	\$578,800	\$43,700	\$622,500	(\$106,600)	\$515,900
DP Capital Outlay	(\$166,700)	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$18,200	\$0	\$0	\$0	\$0	\$0
Other Charges/Pass Thru	\$279,500	\$113,000	\$21,400	\$134,400	(\$94,400)	\$40,000
Depreciation	\$0	\$0	\$0	\$0	\$19,600	\$19,600
Total	\$11,088,300	\$11,862,400	\$451,700	\$12,314,100	(\$206,000)	\$12,108,100

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	150	142	0	142	0	142
Actual FTE	125	0	0	0	0	0
Authorized Capital Outlay	0	0	0	0	0	0
Retained Earnings	1,544,500	675,500	553,600	1,229,100	(18,900)	1,210,200

Program: ISF - Field Services

Function

Field Services is the primary program for delivery of human resource services to state agencies. This program delivers frontline services in the major functional areas including: classification, recruitment, training and development, management of grievances, and application of DHRM policies. This program coordinates program effectiveness and maximizes efficient use of DHRM services, funds, and personnel.

The DHRM administrative office sets the guidelines for Field Services, evaluates their performance, and governs their workload. Field Services carries out the three major objectives of the department: attract and select; strengthen and support; and facilitate succession and separation.

Funding Detail

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Dedicated Credits - Intragvt Rev	\$10,096,000	\$11,137,900	\$33,900	\$11,171,800	\$463,900	\$11,635,700
Total	\$10,096,000	\$11,137,900	\$33,900	\$11,171,800	\$463,900	\$11,635,700

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$9,368,200	\$9,955,700	\$692,000	\$10,647,700	(\$134,700)	\$10,513,000
In-state Travel	\$9,200	\$30,000	(\$14,000)	\$16,000	(\$1,000)	\$15,000
Out-of-state Travel	\$15,500	\$26,000	\$14,000	\$40,000	(\$10,000)	\$30,000
Current Expense	\$537,300	\$705,400	(\$305,400)	\$400,000	\$121,100	\$521,100
DP Current Expense	\$796,100	\$578,800	\$43,700	\$622,500	(\$106,600)	\$515,900
DP Capital Outlay	(\$166,700)	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$18,200	\$0	\$0	\$0	\$0	\$0
Other Charges/Pass Thru	\$279,500	\$113,000	\$21,400	\$134,400	(\$94,400)	\$40,000
Depreciation	\$0	\$0	\$0	\$0	\$19,600	\$19,600
Total	\$10,857,300	\$11,408,900	\$451,700	\$11,860,600	(\$206,000)	\$11,654,600

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	150	137	5	142	0	142
Actual FTE	120	0	0	0	0	0
Authorized Capital Outlay	0	0	0	0	0	0
Retained Earnings	1,544,500	675,500	553,600	1,229,100	(18,900)	1,210,200

Program: ISF - Payroll Field Services

Function

The Employee Resource Information Center (ERIC) processes payroll for state agencies. HB80 passed in 2012 legislative session to require all state agencies to receive payroll services from DHRM with the exception of DTS, DNR, and UDOT.

Funding Detail

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Dedicated Credits - Intragvt Rev	\$453,100	\$0	\$0	\$0	\$0	\$0
Total	\$453,100	\$0	\$0	\$0	\$0	\$0

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$230,800	\$0	\$0	\$0	\$0	\$0
In-state Travel	\$200	\$0	\$0	\$0	\$0	\$0
DP Current Expense	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$231,000	\$0	\$0	\$0	\$0	\$0

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	0	5	(5)	0	0	0
Actual FTE	4	0	0	0	0	0

Program: ISF - Legal Services

Function

Beginning in FY 2012, state agencies are billed for the Attorney General legal services involving employee issues with Career Services Review Office.

Funding Detail

A cost containment of \$550,000 was based on a 5-year historical yearly cost average. \$100,000 was transferred from AG's budget to DHRM and the difference was billed to the agencies in FY 2012. As of the close of FY 2012, a budget reduction of \$3,500 took effect. Due to a decrease in cost in FY 2013, the agency has requested a fee reduction to result in collections totalling \$317,745 for FY 2015. The analyst recommends a rate that collect \$453,500 for FY 2015, the same collection total as appropriated for FY 2014. This will free the allocation that was transferred from the AG's budget in FY 2012 to go back to the General Fund.

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Dedicated Credits - Intragvt Rev	\$0	\$453,500	\$0	\$453,500	\$0	\$453,500
Total	\$0	\$453,500	\$0	\$453,500	\$0	\$453,500

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Current Expense	\$0	\$453,500	\$0	\$453,500	\$0	\$453,500
Total	\$0	\$453,500	\$0	\$453,500	\$0	\$453,500

COBI contains unaudited data as presented to the Legislature by state agencies at the time of publication. For audited financial data see the State of Utah's Comprehensive Annual Financial Reports.