

Compendium of Budget Information for the 2014 General Session

Infrastructure and General Government Appropriations Subcommittee

Agency: ISF - Administrative Services

Function

Internal Service Funds (ISF) employ business practices to provide a service or product for other state and governmental agencies. Typical services include motor pools, computer centers, mail processing, facility management, or other large functions that can be centrally coordinated. They are set up to take advantage of economies of scale, to avoid duplication of efforts, and to provide an accounting mechanism to adequately identify costs of certain governmental services.

ISFs operated by the Department of Administrative Services (DAS) provide consolidated services to all state agencies. DAS operates five ISFs that are funded by rates charged to state agencies and others:

- Division of Finance
- Division of Purchasing and General Services
- Division of Fleet Operations
- Risk Management
- Division of Facilities Construction and Management

The Legislature removed the Division of Information Technology Services (ITS) from DAS during the 2005 General Session and placed it in the new Department of Technology Services (H.B. 109). The change became effective on July 1, 2006 (FY 2007).

In the 2006 General Session, the Legislature changed the Office of State Debt Collection from an internal service fund to a restricted special revenue fund by passing S.B. 214, Office of State Debt Collection Amendments.

In the 2010 General Session the Legislature passed legislation (H.B. 402, *Department of Administrative Services Modifications*) allowing the department to change the operation of most of its divisions from appropriated to an internal service fund. The Division of Purchasing is currently transitioning from an appropriated entity to an internal service fund in the Division of General Services.

Statutory Authority

In order to control the size, mission and fees charged to state agencies, the Legislature imposes 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
- Approved the ISF's rates, fees, and other charges
- Published those annual rates and fees in an appropriations bill
- Approved the number of FTE as part of the annual appropriation process
- Appropriated the ISF's estimated revenue based upon the rates and fee structure

No capital acquisitions can be made by an Internal Service Fund without legislative approval.

No capital assets can be transferred to an Internal Service Fund without legislative approval.

Working capital for operations (defined as Current Assets less Current Liabilities less Long Term General Fund Borrowing) must be provided from the following sources in the following order:

- Operating revenues
- Long-term debt
- Appropriation 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
- The Division of Finance does not allow the ISF to have deficit working capital greater than ninety percent of the value of the ISF's fixed assets

Funding Detail

Dedicated Credits -- Intragovernmental Revenue come from charges to customer agencies. Premiums are collected by Risk Management for its insurance programs. Restricted revenue comes from the Workers Compensation Fund administered by the Division of Risk Management.

Table 4: Business-like Activities

Sources of Finance	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Premiums	\$30,761,400	\$30,507,500	(\$3,300)	\$30,504,200	\$2,576,700	\$33,080,900
Interest Income	\$256,700	\$311,000	\$0	\$311,000	\$0	\$311,000
Dedicated Credits - Intragvt Rev	\$118,325,300	\$127,989,400	(\$8,533,400)	\$119,456,000	\$1,478,900	\$120,934,900

Sale of Fixed Assets	\$691,900	\$600,000	\$27,500	\$627,500	\$0	\$627,500
Transfers	\$0	\$0	\$0	\$0	\$0	\$0
Risk Management - Workers Compensation	\$7,104,800	\$7,208,500	\$1,800	\$7,210,300	\$1,830,600	\$9,040,900
Beginning Nonlapsing	\$0	\$0	(\$7,000)	(\$7,000)	\$7,000	\$0
Closing Nonlapsing	\$7,000	\$0	\$0	\$0	\$0	\$0
Total	\$157,147,100	\$166,616,400	(\$8,514,400)	\$158,102,000	\$5,893,200	\$163,995,200

Line Items	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
ISF - Finance	\$1,624,500	\$1,801,200	\$2,600	\$1,803,800	\$57,100	\$1,860,900
ISF - Purchasing and General Services	\$20,423,100	\$20,208,700	(\$516,100)	\$19,692,600	(\$513,800)	\$19,178,800
ISF - Fleet Operations	\$68,925,200	\$77,417,800	(\$7,198,100)	\$70,219,700	\$1,142,800	\$71,362,500
ISF - Risk Management	\$38,122,800	\$38,027,000	(\$1,500)	\$38,025,500	\$4,407,300	\$42,432,800
ISF - Facilities Management	\$28,051,500	\$29,161,700	(\$801,300)	\$28,360,400	\$799,800	\$29,160,200
Total	\$157,147,100	\$166,616,400	(\$8,514,400)	\$158,102,000	\$5,893,200	\$163,995,200

Categories of Expenditure	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Personnel Services	\$18,198,800	\$19,112,700	(\$366,500)	\$18,746,200	\$404,100	\$19,150,300
In-state Travel	\$55,500	\$35,900	(\$3,300)	\$32,600	(\$300)	\$32,300
Out-of-state Travel	\$37,500	\$41,600	(\$17,500)	\$24,100	\$3,500	\$27,600
Current Expense	\$130,722,200	\$132,833,200	(\$5,901,600)	\$126,931,600	\$3,965,000	\$130,896,600
DP Current Expense	\$1,232,600	\$1,424,800	(\$166,100)	\$1,258,700	(\$38,400)	\$1,220,300
DP Capital Outlay	\$9,900	\$0	\$9,900	\$9,900	(\$9,900)	\$0
Capital Outlay	\$11,661,300	\$0	\$12,437,300	\$12,437,300	(\$12,437,300)	\$0
Other Charges/Pass Thru	(\$336,000)	\$1,219,800	(\$576,800)	\$643,000	\$61,800	\$704,800
Depreciation	\$20,800	\$12,736,200	(\$12,736,200)	\$0	\$13,009,100	\$13,009,100

Transfers	\$1,630,000	\$0	\$0	\$0	\$0	\$0
Total	\$163,232,600	\$167,404,200	(\$7,320,800)	\$160,083,400	\$4,957,600	\$165,041,000

Other Indicators	2013 Actual	2014 Approp	2014 Change	2014 Revised	2015 Change	2015 Approp
Budgeted FTE	295	298	0	298	1	299
Actual FTE	282	0	0	0	0	0
Authorized Capital Outlay	22,737,500	24,770,200	5,375,300	30,145,500	(4,520,400)	25,625,100
Retained Earnings	9,062,500	14,220,600	(7,505,300)	6,715,300	(945,900)	5,769,400
Vehicles	117	119	0	119	0	119

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.