



DAS ISF – FACILITIES MANAGEMENT

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE

BUDGET BRIEF

SUMMARY

For the Division of Facilities Construction and Management (DFCM) internal service fund, the Analyst recommends estimated revenue of \$28,151,400, authorized FTE of 141, authorized capital outlay of \$63,000, approval of requested intent lanague, and approval of requested rates for FY 2013. These recommendations are detailed below, as well as in the funding table on page 4.

BACKGROUND

The internal service fund within DFCM provides building maintenance, management and preventive services to its state agency subscribers. The ISF performs maintenance and services such as janitorial, security, grounds maintenance, heating/air conditioning repair, and utility payments in order to resolve each building’s specific maintenance concerns in a timely and cost effective manner.

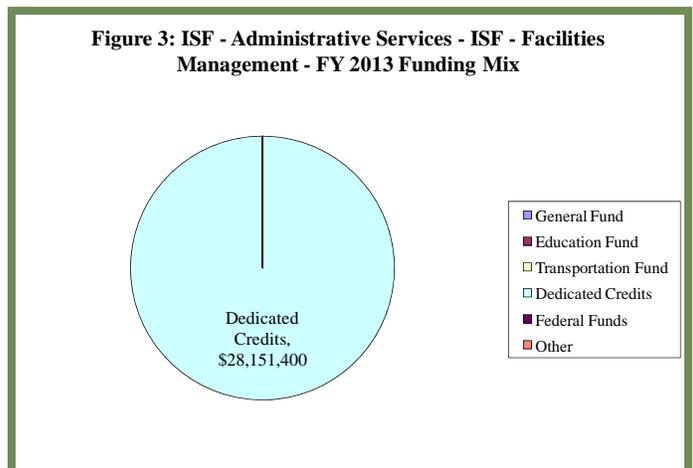
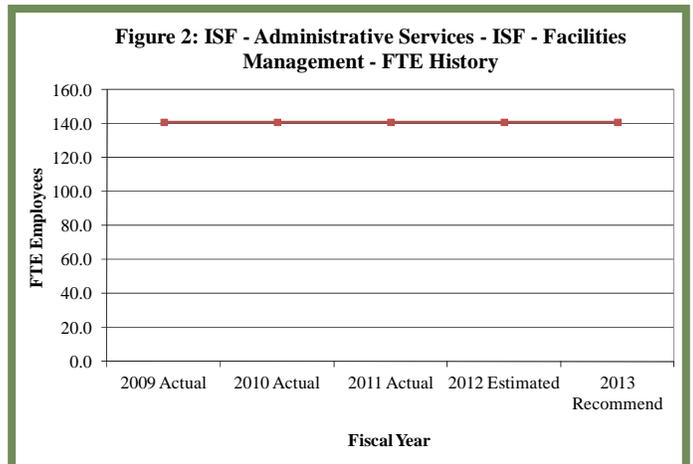
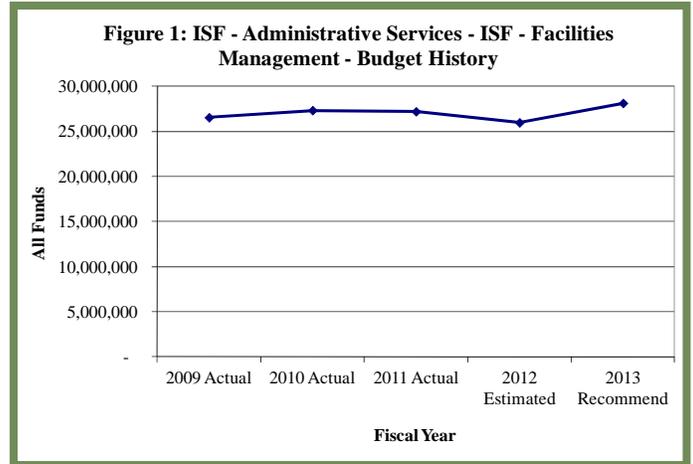
Services of the DFCM ISF are optional. Currently DFCM contracts with agencies to provide services in about 190 owned and leased facilities throughout the state. By Building Board policy, however, if an agency not using DFCM fails to meet maintenance standards, DFCM must take whatever action is necessary to rectify the situation.

ISSUES AND RECOMMENDATIONS

Rate Increases and Decreases

DFCM charges agencies rates that are calculated based on the projected expenses associated with each building program for the coming year. If DFCM collects more revenue than is necessary to pay the operating expenses for the building maintenance, then the excess amount stays in the account as retained earnings which are then used in the next year to reduce the rate. For FY 2013, DFCM will need to increase the rate for seven buildings in order to cover utility increases.

Two building rate changes are of particular note. The Unified Lab building rate is requested to increase by \$119,600



because the lab’s high energy-consuming equipment require more power to run than originally anticipated. The Salt Lake Multi-Agency building rate is requested to decrease by \$252,200 as a result of a high-performance, energy-saving design that exceeded original expectations. The Analyst recommends the Legislature authorize the rate increases/decreases as well as other minor adjustments to DFCM rates as presented in an Issue Brief.

Intent Language

Since FY 1999 the Legislature has approved intent language allowing DFCM to add up to three FTE and/or up to two vehicles if new buildings or service level agreements come on line during the Interim, subject to legislative approval in the next session. The Analyst recommends the Legislature continue authorizing the intent language (see page 3) with the stipulation that DFCM notify the IGG co-chairs before adding any vehicles or FTEs above the authorized level.

ACCOUNTABILITY DETAIL

Per Square Foot Costs

At an average of \$4.50 per square foot in FY 2011, DFCM maintenance rates were about 61 percent less than the rates paid by federal agencies and are lower than national private and local private rates. Data comes from the annual publication of BOMA (Building Owners and Managers Association) International. 2011 is the last year for which BOMA data are available.

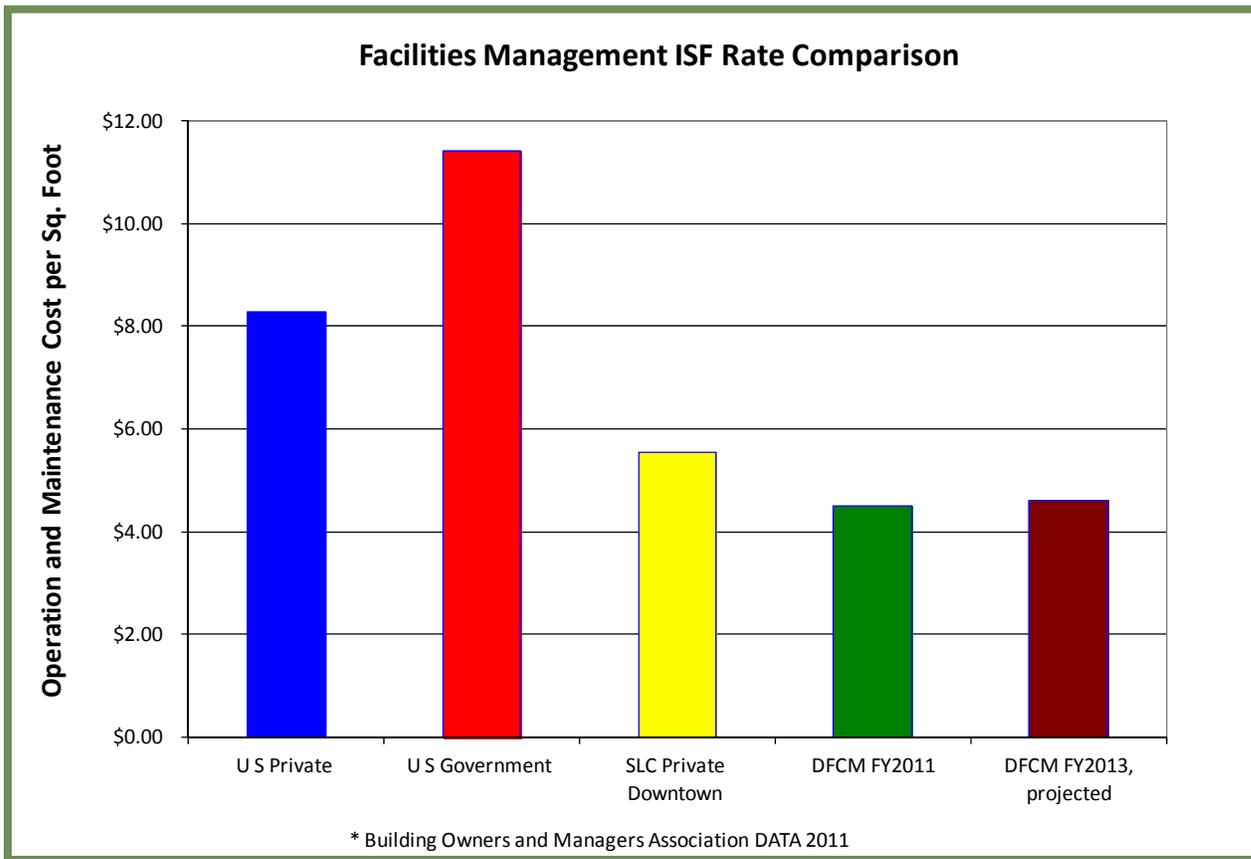


Figure 4

BUDGET DETAIL***Capital Outlay Authority Request***

DFCM requests capital outlay authority of \$63,000 for FY 2013 for the following:

- \$38,000 for grounds care replacement equipment – 3 Kawasaki Mules and 2 Quads with snow plows
- \$25,000 for contingency expenses

Intent Language

DFCM requests two additional vehicles in FY 2013 to handle increasing workloads. One vehicle is requested for a HVAC position in the St. George area that services buildings as far away as Beaver. The second vehicle is requested for a technician that, with increasing workload, will now need a vehicle to respond to building needs. Funding for this request will come from building rate revenue. The Analyst recommends the following intent language:

It is the intent of the Legislature that the DFCM internal service fund may add two additional vehicles to their regular fleet for daily use.

The Analyst recommends the Legislature continue using the following intent language with the stipulation that DFCM notify the IGG co-chairs before adding any vehicles or FTEs above the authorized level.

It is the intent of the Legislature that the DFCM internal service fund may add up to three FTEs and up to two vehicles beyond the authorized level if new facilities come on line or maintenance agreements are requested. Any added FTEs or vehicles will be reviewed and may be approved by the Legislature in the next legislative session.

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. Estimated revenues of \$28,151,400 for the Facilities Management ISF in FY 2013
2. Rates as presented separately in an Issue Brief
3. FTE of 141.0 for FY 2013
4. Authorized Capital Outlay of \$63,000 for FY 2013
5. Intent Language as presented above

BUDGET DETAIL TABLE

ISF - Administrative Services - ISF - Facilities Management

	FY 2011	FY 2012		FY 2012		FY 2013*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Recommended
Dedicated Credits - Intragvt Rev	27,222,000	27,463,800	(1,472,100)	25,991,700	2,159,700	28,151,400
Total	\$27,222,000	\$27,463,800	(\$1,472,100)	\$25,991,700	\$2,159,700	\$28,151,400
Programs						
ISF - Facilities Management	27,222,000	27,463,800	(1,472,100)	25,991,700	2,159,700	28,151,400
Total	\$27,222,000	\$27,463,800	(\$1,472,100)	\$25,991,700	\$2,159,700	\$28,151,400
Categories of Expenditure						
Personnel Services	7,770,700	8,217,900	(249,500)	7,968,400	81,800	8,050,200
In-state Travel	12,600	13,600	(1,100)	12,500	0	12,500
Out-of-state Travel	4,500	1,800	2,700	4,500	0	4,500
Current Expense	17,801,300	18,610,100	(241,400)	18,368,700	(20,800)	18,347,900
DP Current Expense	401,500	290,700	103,400	394,100	(7,600)	386,500
Other Charges/Pass Thru	245,900	206,800	21,900	228,700	5,700	234,400
Operating Transfers	280,000	0	0	0	0	0
Depreciation	26,200	16,300	0	16,300	(3,900)	12,400
Total	\$26,542,700	\$27,357,200	(\$364,000)	\$26,993,200	\$55,200	\$27,048,400
Other Data						
Budgeted FTE	141.0	141.0	0.0	141.0	0.0	141.0
Actual FTE	124.1	0.0	0.0	0.0	0.0	0.0
Authorized Capital Outlay	0	59,000	0	59,000	4,000	63,000
Retained Earnings	3,615,700	2,466,400	147,800	2,614,200	1,103,000	3,717,200
Vehicles	67	76	2	78	0	78

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.