

# DAS FACILITIES CONSTRUCTION AND MGT.

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE

BUDGET BRIEF

## SUMMARY

For the Division of Facilities Construction and Management (DFCM) Administration, the Analyst recommends a FY 2013 budget of \$6,346,000 including a transfer of \$2,185,500 ongoing General Fund to the appropriate line items for funding operation and maintenance in buildings approved last year. The Analyst further recommends an appropriation of \$65,000 from the Contingency Reserve Fund to update the state space standards. These recommendations are detailed below, as well as in the funding table on page 4.

## BACKGROUND

DFCM is the building manager for all state owned facilities. The division is responsible for all aspects of construction and maintenance of state buildings and assists the Building Board in developing its recommendations for capital development projects and allocating capital improvement funds. The division also oversees all non-higher education, non-judicial branch leases and controls the allocation of state-owned space.

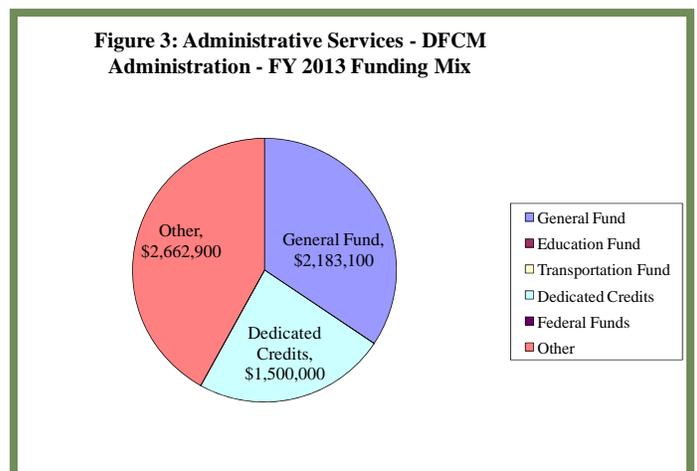
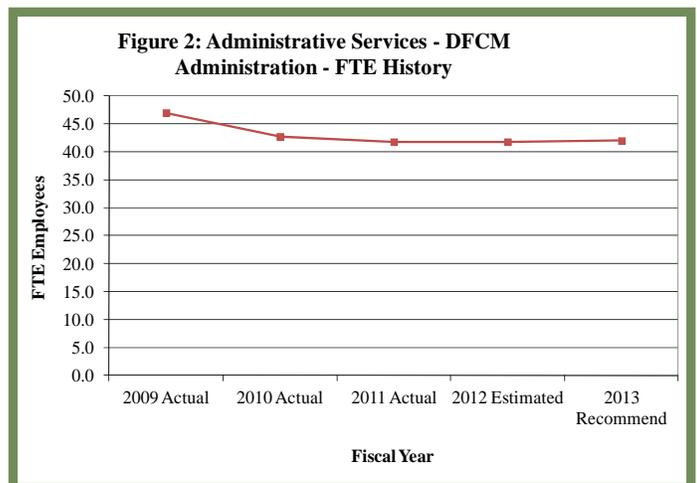
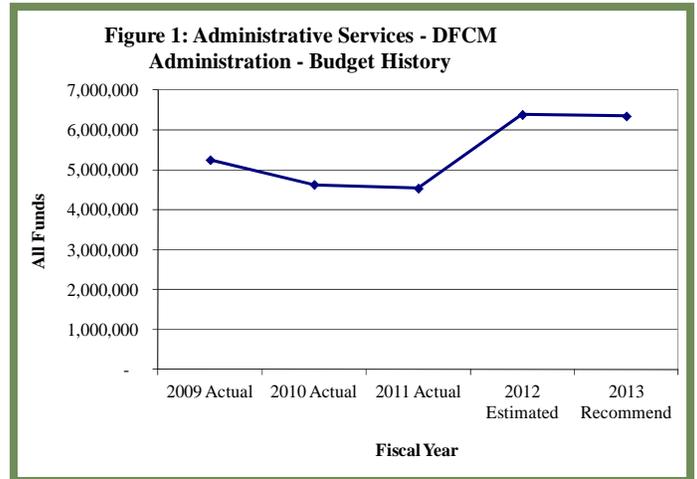
## ISSUES AND RECOMMENDATIONS

### **State Space Standards**

In 1994 the State Building Board revised office space standards for state agencies to align job function with square footage requirements. The Division of Facilities, Construction, and Management (DFCM) uses these standards when planning new buildings and leases. However, because the standards are 16 years old and out-of-date, DFCM and agencies guess as to their exact application. The Analyst recommends updating the space standards by appropriating \$65,000 from the Contingency Reserve Fund.

### **State Buildings Energy Efficiency Program (SBEEP)**

The 2006 Legislature directed DFCM to administer the State Buildings Energy Efficiency Program (SBEEP). Funding for this program came from fines paid by oil companies that violated



federal oil prices until those funds ran out in FY 2009 whereupon the Legislature replaced those funds with General Fund and created a revolving loan fund for energy efficiency projects. During the 2011 General Session the Legislature removed all ongoing General Fund from the SBEEP in DFCM and increased dedicated credit collections to enable the program to operate from savings captured from energy projects. As FY 2012 will be the first year of the collections, the Analyst recommends latitude for the program to collect and not lapse funding.

**Operation and Maintenance (O&M) for 2011 General Session Buildings**

On the last night of the 2011 General Session the Legislature approved bonding for several state-funded capital development requests and funded the ongoing operation and maintenance for those buildings. Due to the lateness of the hour the Legislature appropriated the O&M funding to the DFCM line item with the intention that it would be moved to the appropriate line items during the 2012 General Session. The Analyst recommends moving \$2,185,500 ongoing General Fund in FY 2013 from DFCM to Human Services, Weber State University, Utah State University, and Davis and Tooele Applied Technology Colleges.

**ACCOUNTABILITY DETAIL**

***Use of Contingency Funds***

The Legislature established a contingency reserve in the capital budget and requires the division to allocate a portion of capital project funding to the reserve to provide for unforeseen construction expenses. DFCM should manage and budget projects such that contingency funds are adequate to ensure project completion without accruing an excessive balance or requiring additional funding. Figure 4 below shows a five year history of the use of contingency funds compared to budgeted contingencies. Zero represents the budgeted amount of contingency funds for projects completed in the fiscal year. In FY 2009 the projects completed by DFCM only used 28% of the contingency funds budgeted (creating a 72% savings shown below) mostly a result of few complex capital development projects. As more high-cost capital developments were completed in FY 2011, the use of contingency fund increased dramatically.

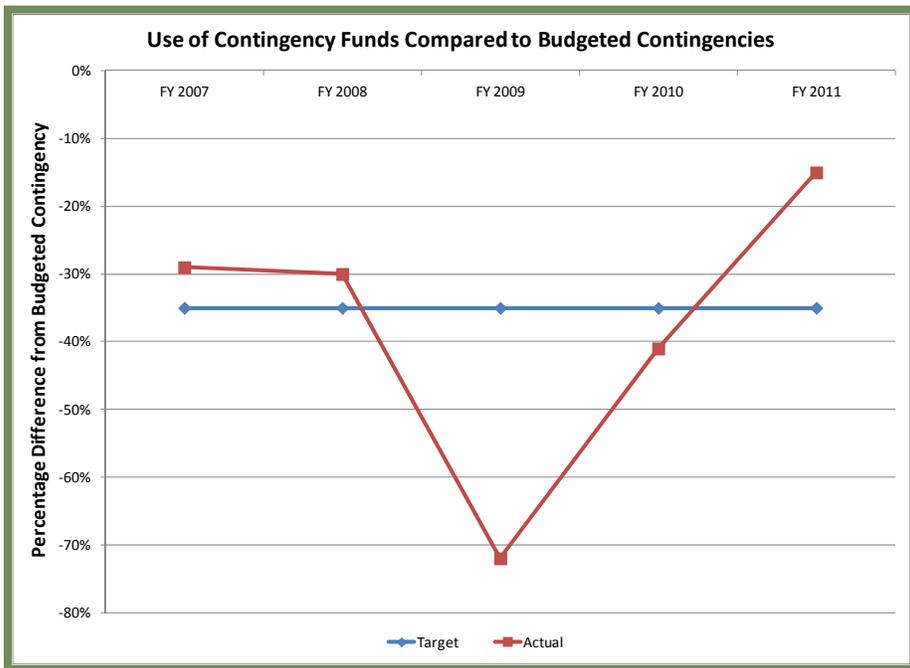


Figure 4

**Percent of Capital Improvement Projects Completed On-Time**

The Legislature annually appropriates funding to capital improvement projects to repair and improve existing buildings. DFCM manages these statewide projects and ensures completion in a timely manner (usually within the fiscal year of funding). In FY 2011 DFCM completed 89 percent of the capital improvement projects on time. Timeliness of project completion declined from FY 2009 as a result of administrative budget reductions and increases to capital development construction requiring more project manager time.

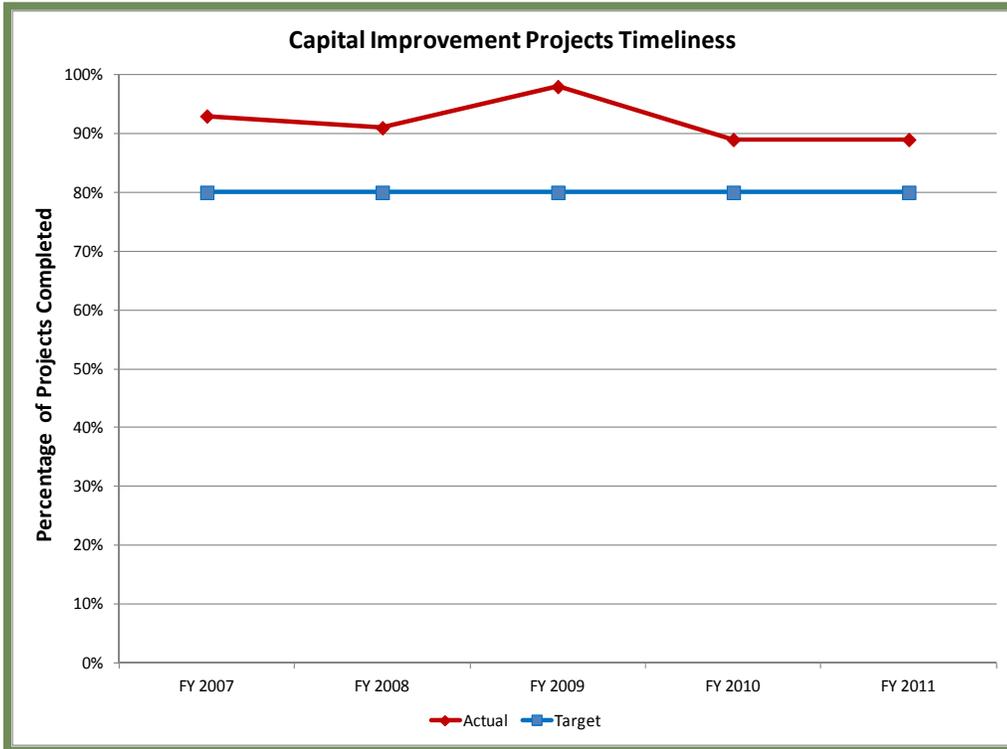


Figure 5

**BUDGET DETAIL**

***Intent Language***

The Analyst recommends the Legislature adopt the following supplemental intent language for Fiscal Year 2012:

*Under terms of UCA 63J-1-402(3), the Legislature intends not to lapse Item 15, Chapter 3, or Item 34, Chapter 379, Laws of Utah 2011. Expenditure of these funds is limited to: information technology projects and Governor’s Mansion maintenance - \$300,000; Energy Program operations - \$425,000.*

*The Legislature intends that the DFCM may add one additional vehicle to their fleet for a Maintenance Auditor position.*

**LEGISLATIVE ACTION**

The Analyst recommends the Legislature consider adopting:

1. A total base appropriation of \$6,346,000 for the Division including a transfer of \$2,185,500 ongoing General Fund to the appropriate line items for funding operation and maintenance in buildings approved last year.
2. Intent language making the FY 2012 appropriation nonlapsing but limited to uses specified in the language.
3. Intent language authorizing an additional vehicle for a position to audit building maintenance statewide.
4. Appropriation of \$65,000 from the Contingency Reserve Fund to DFCM Administration to update the state space standards.

**BUDGET DETAIL TABLE**

<b>Administrative Services - DFCM Administration</b>						
<b>Sources of Finance</b>	<b>FY 2011 Actual</b>	<b>FY 2012 Appropriated</b>	<b>Changes</b>	<b>FY 2012 Revised</b>	<b>Changes</b>	<b>FY 2013* Recommended</b>
General Fund	2,544,400	4,368,600	0	4,368,600	(2,185,500)	2,183,100
General Fund, One-time	0	(1,845,800)	0	(1,845,800)	1,845,800	0
American Recovery and Reinvestm	158,300	0	0	0	0	0
Dedicated Credits Revenue	0	1,500,000	0	1,500,000	0	1,500,000
Transfers	(20,000)	0	0	0	0	0
Capital Projects Fund	1,942,900	1,956,200	0	1,956,200	0	1,956,200
Project Reserve Fund	200,000	200,000	0	200,000	0	200,000
Contingency Reserve Fund	82,300	82,300	0	82,300	0	82,300
Beginning Nonlapsing	176,200	0	546,200	546,200	(121,800)	424,400
Closing Nonlapsing	(546,200)	0	(424,400)	(424,400)	424,400	0
<b>Total</b>	<b>\$4,537,900</b>	<b>\$6,261,300</b>	<b>\$121,800</b>	<b>\$6,383,100</b>	<b>(\$37,100)</b>	<b>\$6,346,000</b>
<b>Programs</b>						
DFCM Administration	4,053,600	5,052,400	371,800	5,424,200	(371,800)	5,052,400
Energy Program	316,200	1,089,700	(250,000)	839,700	334,700	1,174,400
Governor's Residence	168,100	119,200	0	119,200	0	119,200
<b>Total</b>	<b>\$4,537,900</b>	<b>\$6,261,300</b>	<b>\$121,800</b>	<b>\$6,383,100</b>	<b>(\$37,100)</b>	<b>\$6,346,000</b>
<b>Categories of Expenditure</b>						
Personnel Services	3,722,600	5,305,900	(1,465,900)	3,840,000	7,800	3,847,800
In-state Travel	69,600	91,000	(12,000)	79,000	0	79,000
Out-of-state Travel	2,100	7,100	(2,000)	5,100	0	5,100
Current Expense	393,300	433,500	1,194,200	1,627,700	380,700	2,008,400
DP Current Expense	350,300	423,800	(92,500)	331,300	0	331,300
DP Capital Outlay	0	0	500,000	500,000	(425,600)	74,400
<b>Total</b>	<b>\$4,537,900</b>	<b>\$6,261,300</b>	<b>\$121,800</b>	<b>\$6,383,100</b>	<b>(\$37,100)</b>	<b>\$6,346,000</b>
<b>Other Data</b>						
Budgeted FTE	41.8	42.8	(1.0)	41.8	0.2	42.0
Actual FTE	40.3	0.0	0.0	0.0	0.0	0.0
Vehicles	12	13	0	13	0	13