

DHRM INTERNAL SERVICE FUND

RETIREMENT AND INDEPENDENT ENTITIES

BUDGET BRIEF

STAFF: MARK BLEAZARD

SUMMARY

The Department of Human Resource Management (DHRM) Internal Service Fund (ISF) was established by House Bill 269 in the 2006 General Session, effective July 1, 2006. Internal Service Funds employ business practices to provide a service or product for other state and governmental agencies. Typical services include large functions that can be centrally administered.

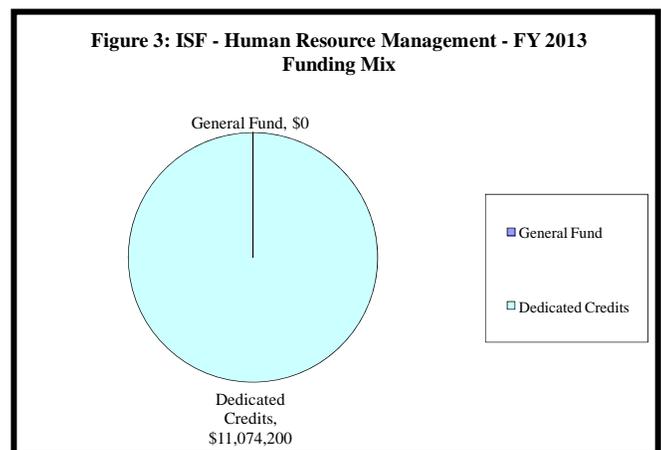
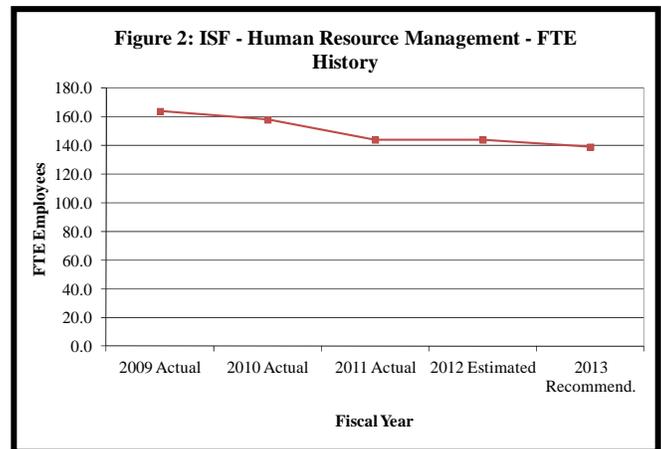
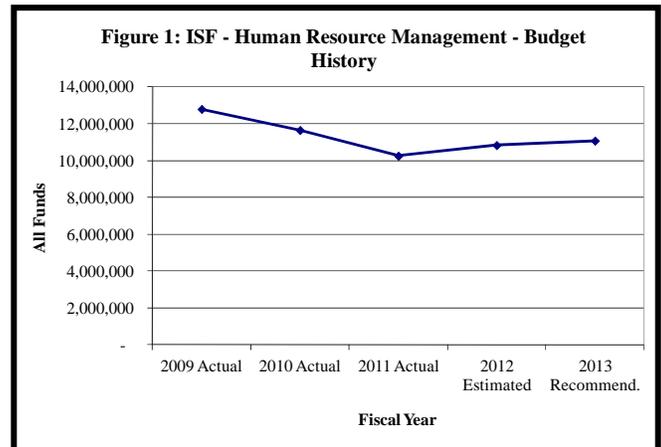
Upon establishing the ISF, DHRM consolidated all human resource employees statewide. Previously, most HR staff in the “field” worked for the agency where they were housed. These staff members now work for DHRM, although they may remain in the same physical locations. This consolidation enhances efficiencies by avoiding duplication of effort, particularly in rural or otherwise remote locations. Consolidation also results in better control and coordination over HR functions.

The Internal Service Fund has two programs—Human Resource Field Services and Payroll Field Services. The Human Resource Field Services program is the primary program for delivery of services to state agencies. This program delivers frontline services in major functional areas including recruitment, training and development, classification, management of grievances and application of DHRM policies. The DHRM administrative staff (appropriated budget) sets the guidelines for Field Services, evaluates their performance and governs their workload.

The Payroll Field Services program is optional for agencies that wish to purchase payroll administration rather than use internal staff. Payroll work is cyclical and agency staff assigned to it normally performs other functions as well. Fewer agencies than originally estimated are presently using the service.

RECOMMENDATIONS

The Analyst recommends that the Committee approve the FY 2013 budget of \$11,074,200, 139.1 FTE, and authorized capital outlay of \$500,000



DHRM ISF DETAIL

DHRM ISF	Budgeted FTE	Authorized Capital Outlay	Annual Revenue
Dept. of Human Resource Management	139.1	\$500,000	\$11,074,200
Totals	139.1	\$500,000	\$11,074,200

BUDGET DETAIL TABLE

ISF - Human Resource Management						
Sources of Finance	FY 2011 Actual	FY 2012 Appropriated	Changes	FY 2012 Revised	Changes	FY 2013* Recommended
Dedicated Credits - Intragvt Rev	10,254,400	10,829,400	(600)	10,828,800	245,400	11,074,200
Total	\$10,254,400	\$10,829,400	(\$600)	\$10,828,800	\$245,400	\$11,074,200
Programs						
Field Services	9,674,300	10,829,400	(550,300)	10,279,100	795,100	11,074,200
Payroll Field Services	580,100	0	549,700	549,700	(549,700)	0
Total	\$10,254,400	\$10,829,400	(\$600)	\$10,828,800	\$245,400	\$11,074,200
Categories of Expenditure						
Personnel Services	9,387,400	10,811,200	(345,900)	10,465,300	0	10,465,300
In-state Travel	10,600	30,000	0	30,000	0	30,000
Out-of-state Travel	10,400	26,000	0	26,000	0	26,000
Current Expense	358,100	354,000	(4,000)	350,000	453,500	803,500
DP Current Expense	549,800	373,500	200,000	573,500	(3,600)	569,900
Capital Outlay	13,500	0	0	0	0	0
Other Charges/Pass Thru	207,400	45,000	68,000	113,000	(113,000)	0
Depreciation	0	185,000	(185,000)	0	113,000	113,000
Total	\$10,537,200	\$11,824,700	(\$266,900)	\$11,557,800	\$449,900	\$12,007,700
Other Data						
Budgeted FTE	144.0	143.8	0.3	144.0	(4.9)	139.1
Actual FTE	113.9	0.0	0.0	0.0	0.0	0.0

Legislative Action

The Analyst recommends the Legislature:

1. Adopt the base revenue budget of \$11,074,200 as shown in the budget detail table
2. Approve FTE level of 139.1
3. Approve capital outlay for FY 2013 of \$500,000
4. Approve the following fees:

Field Services	544.00
Payroll Services	75.00
AG's Legal Fees	450,000.00