# Department of Administrative Services

Services Elevated

2014 Annual Report

Utah State Capitol rotunda.

# Mission:

Deliver support services of the highest quality and best value to government agencies and the public.

# Vision:

The preferred and most trusted provider of products, services, and innovative solutions to meet customer needs.

# Values:

Integrity

Transparency

Reliability

Quality

Collaboration

Honesty

Accountability

Leadership

Flexibility

Teamwork

# Goals:

Improve the efficiency and effectiveness of DAS Operations.

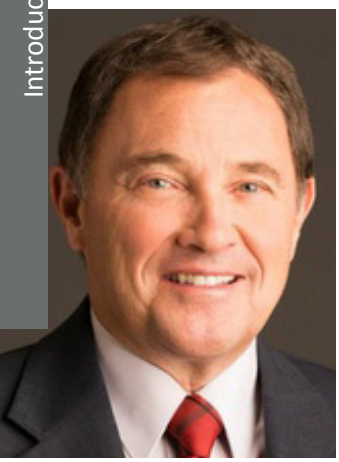
Develop a quality, high performing workforce.

Improve customer relations and communications.

Institutionalize cyber-security and emergency preparedness.

# Content

Message from the Governor .....4
Message from the Executive Director .....4
Efficiency & Effectiveness of DAS Operations .....5
Quality, High-Performing Workforce .....6
Customer Relations & Communications.....7
Emergency Preparedness & Cyber Security .....7
DAS Honors & Recognitions.....8
Executive Management Customer Satisfaction Survey .....9
Department of Administrative Services .....10
Division of Administrative Rules..... 13
Division of Archives & Records Service..... 16
Division of Facilities Construction & Management .....20
Division of Finance .....26
Division of Fleet Operations .....30
Division of Purchasing & General Services .....33
Division of Risk Management.....36
Utah Navajo Royalties Holding Fund ..... 40



Greetings,

It is my privilege to introduce the 2014 Annual Report for the Department of Administrative Services (DAS). The DAS is committed to deliver the highest-quality and best-value support services to state agencies, institutions of higher education, and other governmental entities. Indeed, DAS employees are dedicated to being a trusted—and the preferred—provider of high-quality and best-value products and services. The dedication of the DAS staff enables other governmental agencies to focus on critical programs that serve the residents of Utah, and ultimately facilitates the efficient workings of state government.

The DAS has enthusiastically responded to my directive that every state agency increase efficiency by a measurable 25% over the next four years. This commitment has directed the efforts of DAS employees, as they have implemented the SUCCESS program in each of the department's seven divisions. Application of the SUCCESS program has resulted in strategies to increase efficiency of vehicle utilization, the percentage of capital improvement projects closed each year, and records management participation. It has also decreased incidents that result in claims. In addition, this effort has improved other efficiencies in delivering the essential services the DAS provides. The department's shared service model will ensure that customer agencies also benefit from the efficiencies gained in core processes and services.

I extend my appreciation to all DAS employees for their commitment to excellence in public service. Their efforts are valued and make a positive difference in the state's operations.

Sincerely,

Gary R. Herbert
Governor

I began serving as Executive Director of the Department of Administrative Services in November 2006, and it continues to be a privilege to work with Governor Herbert, members of the Utah Legislature, the volunteers on our advisory groups and our outstanding state employees. Over the last year, this fine group helped us make significant progress toward balancing the dual responsibilities of regulatory oversight and customer service. Signed by both the DAS and its customer agencies, an annual service level agreement honors our commitment to service and our responsibility to regulate.

We are seizing the opportunities provided by the shared services operations model to make important progress in lowering total cost, while at the same time increasing throughput and quality. Through these efforts the DAS once again returned taxpayer funds to the General Fund for reallocation to other critical state programs.

For the future we look to continue the DAS legacy of being the trusted provider of government goods and services. I am grateful for my public service. I thank everyone for their help in making the DAS a great institution and one that Utah taxpayers can be proud.

Regards,

Kim Hood
Executive Director
Department of Administrative Services

Governor Herbert meeting the DAS staff. Pictured here: Kim Hood, Joshua Haines, Governor Gary Herbert, and Rich Amon.

# Efficiency & Effectiveness of DAS Operations

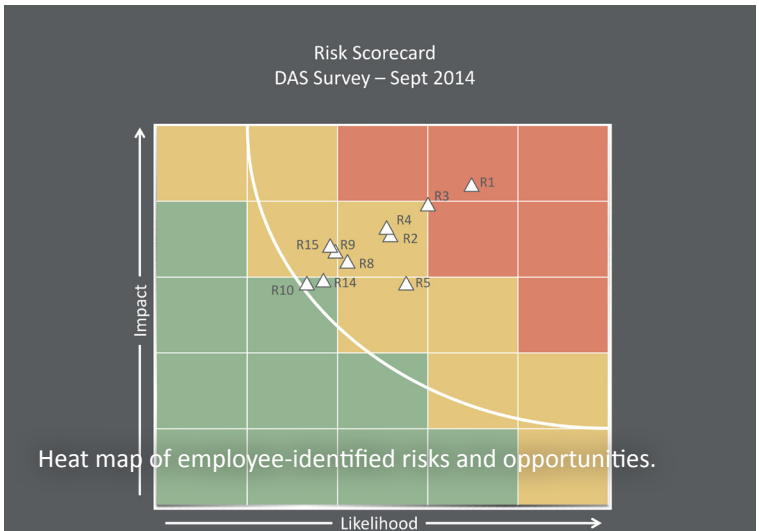
## Enterprise Risk Management (ERM)

In 2011, DAS implemented Enterprise Risk Management (ERM), an ongoing process for identifying opportunities and mitigating threats to achieving our strategic goals. One significant aspect of the ERM process is the engagement of employees in prioritizing threats/opportunities, developing mitigation strategies in employee-led committees, and conducting an annual ERM survey. Over the last four years those committees have made significant progress on addressing the following identified threats:

Mitigation of Cyber Liability. Though not perceived as a threat in 2011, cyber security became one of the highest rated threats to the Department in 2012. Over the last two years the Cyber Security ERM Committee has invested significant time to create DAS processes and implement policies surrounding data security. The 2014 ERM Survey shows a 40% reduction in the ranking of cyber liability as a threat to DAS operational goals.

Understanding of Customer Needs. Customer service is a top priority for the DAS and the potential for misunderstanding customer needs ranks high in operational threats. Work by the Reputational ERM Committee, as well as the Financial/Operational ERM Committee, over the last several years has mitigated this risk. The committees have helped to strengthen operational performance measures, vetted a new service level agreement, and reviewed the service catalog. DAS holds annual customer service meetings with each Cabinet-level agency to provide information and receive customer feedback.

Planning for Contingencies & Disaster. Working on an active fault-line, pandemic disease, and severe winter weather could potentially disrupt DAS service delivery. The Contingency of Operations Plan (COOP) ERM Committee created table-top disaster exercises to help prepare DAS for unexpected events. The committee coordinates DAS participation in the annual Great Shakeout and has developed evacuation procedures in conjunction with DFCM.




Heat map of employee-identified risks and opportunities.

Employee Morale & Training Opportunities. DAS employees are key to our success and employee development and retention is an area of great concern. The Talent Engagement ERM Committee meets regularly to discuss employee needs and communication challenges within DAS. The committee initiated "DAS University" (DAS-U) where employees could receive on-the-job training and asked for more regular "State of the Department" addresses about current leadership direction and issues. In FY 2014 DAS hosted seven DAS-U trainings open to all DAS employees and three State of the Department meetings.

## SUCCESS

In January of 2013, Governor Gary Herbert announced a bold vision of operational excellence for all state agencies — a 25% measurable increase in efficiencies over the next four years. Governor Herbert stated that "achieving this target requires a comprehensive approach to operational excellence. From setting clear goals and targets, to systems thinking and root cause analysis, to project management practices — we intend to develop and maintain the nation's gold standard for government." The governor was very clear that the 25% target is not an exercise in reducing budgets; rather the focus is on improving all aspects of operational performance. As part of this framework, each agency was asked to develop a "QT/OE" equation where a measurement of quality (Q) is multiplied by an identified throughput (T) and divided by operational expenses (OE). This measurement will be used as a monthly gauge in evaluating each agency's efficiency gains.

The DAS enthusiastically embraced the governor's challenge and directed each of its seven divisions to develop a plan to achieve this targeted gain in efficiency within their individual systems and processes. Fleet Management is taking a three pronged approach with measures in emissions, utilization, and maintenance costs per mile. DFCM is targeting improvement projects and making great gains in ensuring each job is on time and on budget. Risk Management is tackling vehicle incidents — examining how to process repairs faster as well as targeting efforts to keep them from occurring. Finance is drilling down into its collection process and expects to see huge gains in the number of dollars collected from debtors to the state. Archives is attacking a backlog of outdated record retention schedules and is investigating more effective ways of working with the agencies to manage schedules in a timely fashion. Rules is working to streamline processing time and Purchasing is targeting IT contracts. The DAS as an agency will easily exceed the 25% efficiency gain. More importantly, through this process, we will continue to provide high quality services at the very best value possible.

# Quality, High-Performing Workforce

## DAS University

Consistent with its goal of maintaining a high-performing workforce, and based upon direct employee input, the DAS established DAS University to provide unique learning opportunities for all interested employees. FY 2014 training opportunities included:

| | |
|---|---|
| October | Defibrillator Training<br>Roger Nelson,<br>AED Everywhere |
| November | Customer Service<br>Pam Gardiol,<br>Gardiol and Associates |
| December | Cyber Security<br>Tim Hastings,<br>Department of Technology Services |
| January | Email Retention<br>Lorianne Ouderkirk,<br>DAS Archives and Records Service |
| February | Mobile Device Policy<br>Corona Ngatuvai,<br>Department of Technology Services |
| April | CPR Certification and Recertification<br>Mike Marshall and Karen Peterson,<br>DAS Risk Management |
| June | Intermediate Excel<br>Brian Spencer,<br>DAS Risk Management |

## Professional Certifications

A quality, performance oriented workforce is essential to ensuring the delivery of high quality, best value services that enable our customers to achieve their missions for the public good. The DAS is committed to helping employees gain the education and skills necessary to meet the demands of their positions and grow into additional responsibilities. We congratulate the following employees for obtaining a professional certification in their field in FY 2014:

Certified Public Manager (CPM): Utah Certified Public Manager program, an accredited member of the National Certified Public Manager Consortium

- Matt Boyer
- Tami Nelson
- James Brown

Project Management Professional (PMP): Project Management Institute

- Lucas Davis
- Darrell Hunting

Certified Archivist (CA): Academy of Certified Archivists

- James Kichas

Certified Professional Public Buyer (CPPB): Universal Public Procurement Certification Council

- Jeff Mottishaw
- Jennifer Salts
- Garret Johnston
- Adrian Ruger

Heather Stevens and Tami Nelson practice bandaging a wound as Mike Marshall instructs the DAS University CPR Certification training,

# Customer Relations

## Service Level Agreement (SLA)

Continuing the DAS commitment to shared services, improving customer relations, and fulfilling our vision to be a trusted provider of products and services we created a Service Level Agreement (SLA) in 2014. A SLA specifies responsibilities between the service provider (DAS) and the customer (state agencies and institutions). Our agreement defines the responsibilities of DAS to include complying with state law, creating rules to implement laws and legislative intent, and providing above market value services through annual private sector benchmarking. Customer responsibilities include timely communication of needs and concerns and compliance with DAS rules and policies.

The agreement also contains additional responsibilities for each of five DAS Divisions: Risk, Fleet, Purchasing, Rules, and Archives. These Division-specific service level agreements provide clarification on actions by both the Division and the customer that will improve service delivery and value.

In conjunction with the new SLA, DAS created a service catalogue containing descriptions of services provided by DAS. The catalog also includes corresponding rates, methods of service provision, and performance measurement. The information allows customers and stake holders to better understand what services DAS provides and the associated performance metrics.

DAS implemented the new agreement with State Agency customers beginning in FY 2015 and will institutionalize the agreement as part of our annual Customer Services meetings.

# Cyber Security

## Working Toward the Gold Standard

As the world has become more and more susceptible to increasingly sophisticated cyber attacks, the DAS has made data security a top priority. In FY 2014, the department assembled a task force to incorporate recommendations from DeLoitte Security Consulting as well as bringing our systems into adherence with the gold standards set forth by the National Institute of Standards and Technology (NIST). The task force worked diligently to bring DAS into compliance with the strictest of security standards. With the cooperation of the Department of Technology Services, every department system and data repository was individually audited for vulnerability and ongoing security capabilities. NIST Security standards and "systems development life cycle" best practices are being incorporated into every stage of our IT processes, from business plan development, procurement, and software development, to the ultimate disposal and appropriate archival of data. The DAS is a committed gatekeeper of all data within our prevue and abides by the strictest guidelines to keep that data safe.

Brent Cleverly addresses DAS management teams at the cyber-security themed 2014 Executive Summit.

# DAS Honors & Recognitions

**Karen Peterson** Left: Karen received the Governor's Award for Excellence in Humanitarianism. In January 2013, Karen and her husband tragically lost their son to suicide, due to bullying at his school. In 2013, Karen created a non-profit foundation to increase awareness and raise funds to prevent bullying and suicide in schools, both in Utah and across the country.

**Jeff Reddoor** Center: Jeff received the annual DAS Award for Excellence in Innovation and Efficiency for his work with the State Building Board in developing a new prioritization process for capital improvements.

**Brian Gillies** Right: Brian received a Recognition for Excellence for Customer Service. Pictured: Bruce Whittington accepts the award on behalf of Brian Gillies.

**Rosemary Cundiff** Left: Rosemary Cundiff received a Recognition for Excellence for Outstanding Public Service for Ombudsman Activities. Pictured: Patricia Smith-Mansfield accepts the award on behalf of Rosemary Cundiff.

**Daniel Black** Center: Daniel Black received a Recognition for Excellence for Innovation and Efficiency for Fleet Operations.

**Risk Management & Facilities Data Integration Team** Right: The Risk and DFCM building data consolidation team received a Recognition for Excellence for Data Integrity. Michael Smith, Gordon Jensen, Brian Spencer, Emily Williams, Marlys Haugo, Jeff Rose, Bruce Whittington, and Joanie Aponte (not pictured) comprised the team.

**Tara Eutsler** Left: Tara received a Recognition for Excellence for Small Purchases Training.

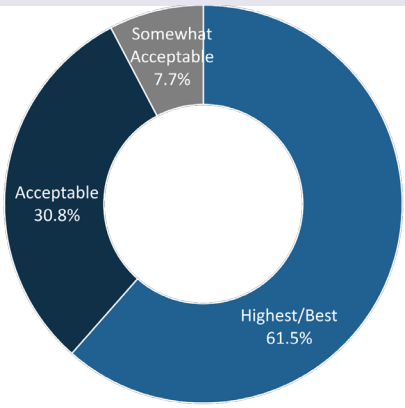
**Mark Austin** Center: Mark received a Recognition for Excellence for Outstanding Public Service for 25 Years Managing Payroll.

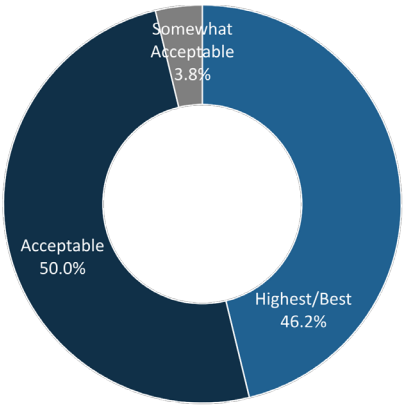
**Finance CAFR Group** Right: The CAFR team received a Recognition for Excellence for Financial Reporting. The team was comprised of the following individuals: Joey Palmiotti, Lynn Bodero, Scott Blackham, David Burgoyne, Lynda McLane, Robert Melendez, Deborah Memmott, Gary Morris, and Susan Lundquist (not pictured: Marcie Handy, Julie D'Alesandro, Amanda Hensley, Darin Janzen, Mark Knowlden, and Robert Miles).

# Executive Management Customer Survey

How would you rate the quality of your relationship with DAS, considering all of your experiences with them?

| | | |
|---|---|---|
| 1 | Highest/Best | 61.5% |
| 2 | Acceptable | 30.8% |
| 3 | Somewhat Acceptable | 7.7% |
| 4 | Lowest/Unacceptable | 0.0% |



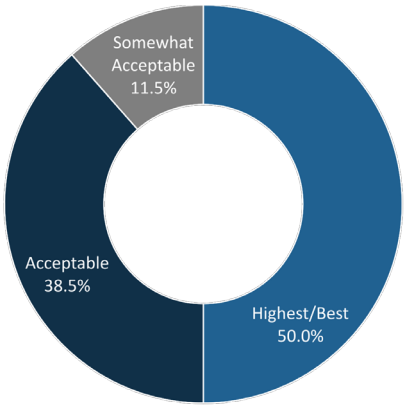




How satisfied are you with the services you received?

| | | |
|---|---|---|
| 1 | Highest/Best | 46.2% |
| 2 | Acceptable | 50.0% |
| 3 | Somewhat Acceptable | 3.8% |
| 4 | Lowest/Unacceptable | 0.0% |

Overall, do you feel DAS brings value to your agency?

| | | |
|---|---|---|
| 1 | Highest/Best | 50.0% |
| 2 | Acceptable | 38.5% |
| 3 | Somewhat Acceptable | 11.5% |
| 4 | Lowest/Unacceptable | 0.0% |



DAS executive team. Back row: Chad Whitlock, Joshua Haines, Rich Amon, David Williams, John Reidhead
Front row: Marilee Richins, Ken Hansen, Patricia Smith-Williams, Kim Hood, Kent Beers, Tani Downing

# Department of Administrative Services



3120 State Office Building
Salt Lake City, UT 84114
Phone: (801) 538-3764
Fax: (801) 538-3844
www.das.utah.gov

## Executive Team

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- John Reidhead, Chief Financial Officer
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- Marilee Richins, Operational Officer
  mprichins@utah.gov (801) 538-3215
- Makayla Hardy, Office Admin
  mhardy@utah.gov (801) 538-3010
- Sue Hoskins, Department Travel Coordinator
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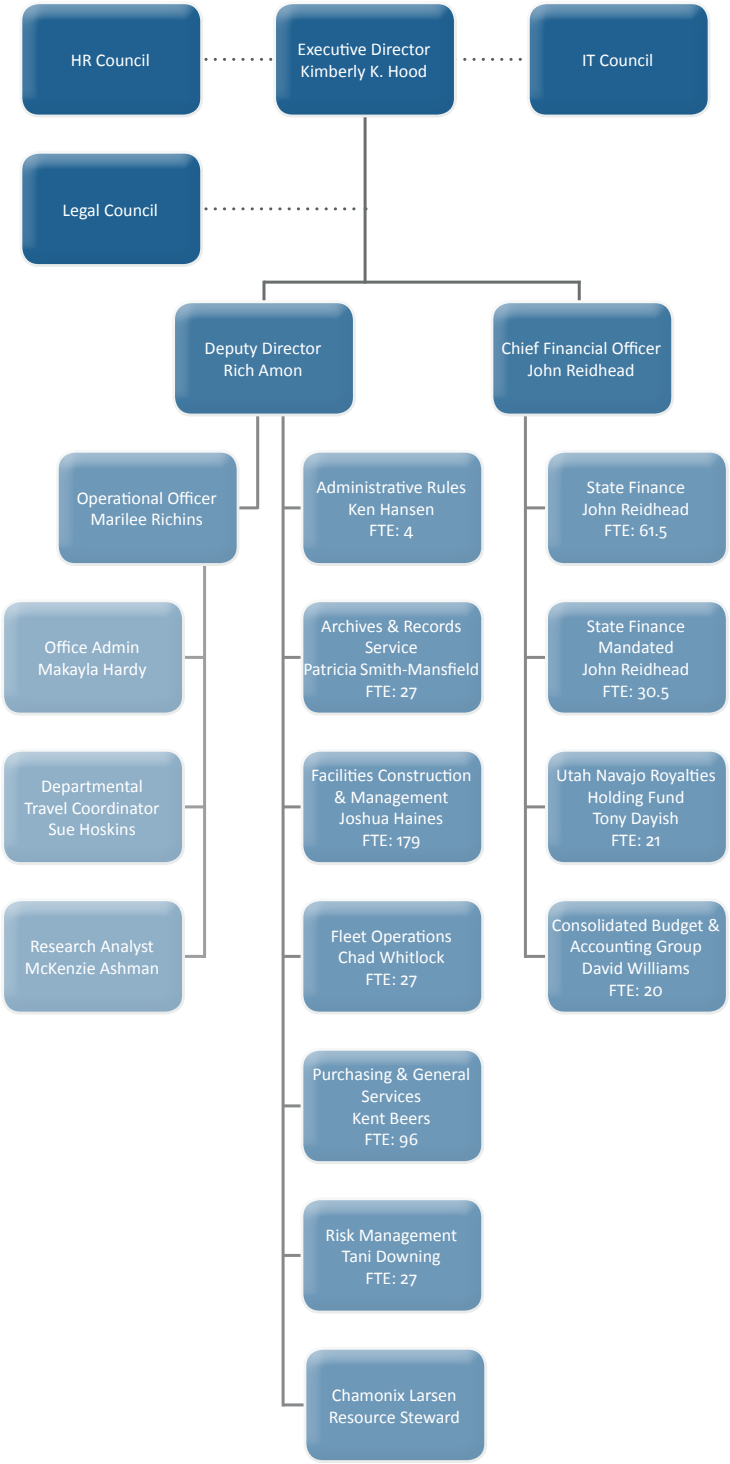
- McKenzie Ashman, Research Analyst
  mashman@utah.gov (801) 538-1542

## DAS Organizational Chart




| | |
|---|---|
| Employee Count: | 478 |
| FY 2014 Operating Budget: | $ 26,177,261 |
| FY 2014 Finance Mandated Budget: | $ 38,188,500 |
| FY 2014 ISF Operating Budget: | $ 165,551,433 |
| FY 2014 Capital Budget: | $ 363,465,000 |

Back row: Sue Hoskins, Marilee Richins, Rich Amon;
Front row: McKenzie Ashman, Kim Hood, Makayla Hardy

The DAS Technical Services Team.

## DAS Technical Services Team

All State of Utah agencies are dependent on the critical business applications developed and managed by the DAS. In order to maintain operational readiness and strategically plan for the future, the DAS formed an IT Council comprised executive leadership and division directors. The IT Council meets monthly to review, plan, and approve the IT direction for the department. The council considers and coordinates new technology projects, operational effectiveness, accessibility, and information security. In addition, the DAS IT Council is currently re-engineering its security plan to be in alignment with industry best practices. DAS is also in the process of implementing a "shared services" model of application development. By following this model, the department will ensure the most efficient utilization of development resources across the enterprise.

The DAS Human Resource Team: Angela Abbott, HR Specialist; Larene Wyss, HR Director; and Rebecca Lisor, HR Analyst

## DAS Human Resource Team

The DAS Human Resource team experienced personnel changes in FY 2014. While Larene Wyss continued as the HR Director, Angel Abbott was promoted to HR Specialist and Rebecca Lisor was hired as an HR Analyst. This past year the HR team streamlined the new employee orientation and onboarding checklist, developed a succession planning strategy, and worked with DAS management to solidify the separation from employment process to ensure access to the state's systems is deleted timely when an employee leaves the Department. The team also introduced succession planning strategies to executive management to start addressing the high number of possible retirements coming up in the next five years. In addition, several of the HR-related policies were reviewed and updated during the year.

Jacob Franklin, Alan Bachman, and Paul Tonks, members of the Legal Council

## DAS Legal Team

The DAS Legal Council, comprised of Division Directors and Assistant Attorney Generals assigned to DAS, meets regularly to coordinate legal issues in the Department. The council ensures that Divisions are knowledgeable about Attorney General workload and availability. It provides an opportunity for department-wide communication and coordination on current legal issues and challenges.

The diversity in services, customers, and funding sources and models within DAS make the financial aspects of our operations challenging and exciting. It is a great opportunity to be involved in DAS fiscal matters under Kim Hood's leadership and working with exceptional division directors who do all they can to provide best value services.

I am pleased to report that DAS operations were accounted for in a responsible, appropriate manner. In addition, DAS operations were managed within available resources for fiscal year 2014 with the following exceptions:

- Increased damage claims for insured vehicles resulted in a $479,000 net loss for the fiscal year and a $102,000 net negative retained earnings position in the Risk Management Auto Fund. DAS will request an increase in the deductible from $500 to $750 per claim to cover the loss and to incentivize safer driving by customers.
- The budget for the Judicial Conduct Commission (JCC) was overspent by approximately $2,000. The JCC is an independent agency organizationally included in the DAS budget, but without direct DAS oversight or control. However, we will work with JCC management to help them ensure their budget is not overspent in the future.

Reliable and timely financial information continues to be of utmost importance to DAS management as the Governor's SUCCESS initiative and other DAS efficiency initiatives are studied and moved forward in the face of reduced budgets and increasing workloads.

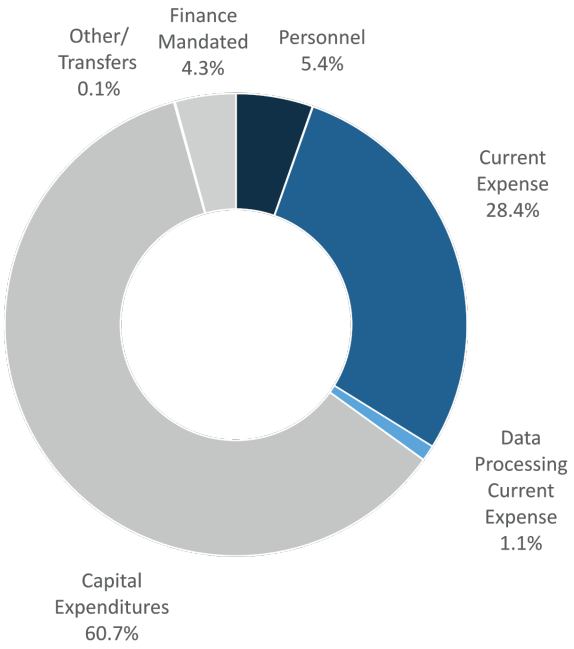
We appreciate the taxpayer resources entrusted to us from the Legislature and from customers through charges for services. We appreciate our customers, partners, and other stakeholders and look forward to working together to provide quality services.

John Reidhead

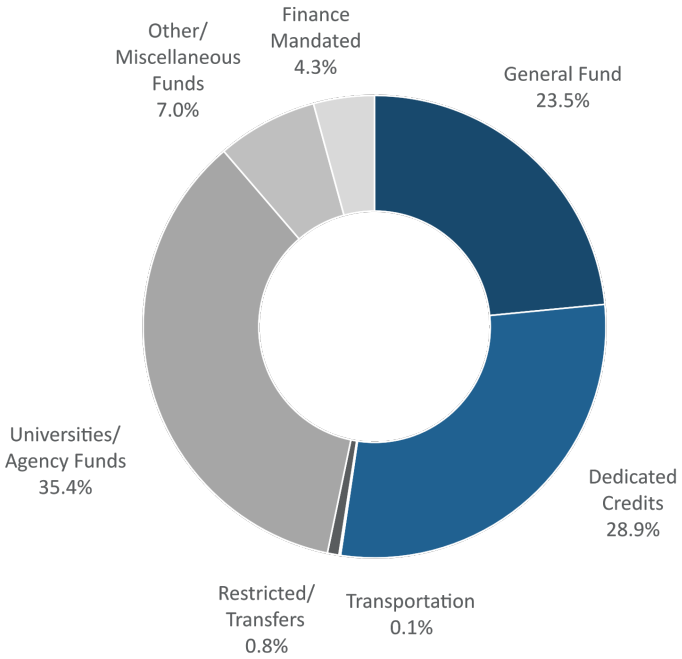
Chief Financial Officer
Department of Administrative Services

## Fiscal Year Ending June 30 , 2014 (Unaudited)

Department of Administrative Services Expenditures
$ 568,282,000




Department of Administrative Services Revenues
$ 568,142,200



# Administrative Rules

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Phone: (801) 538-3764
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- Nancy L. Lancaster, Publications Editor
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- Sophia Manousakis, Executive Secretary
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## Division Message

Ken Hansen, Director

Public participation is a fundamental reason for Utah's rulemaking process. When the Legislature creates programs, it often assigns the implementation of the program to a state agency. The Utah Administrative Rulemaking Act requires an agency to engage in rulemaking whenever agency action "authorizes, requires or prohibits an action; provides or prohibits a material benefit; applies to a class of persons or another agency; and is explicitly or implicitly authorized by statute" (Utah Code § 63G-3-201). The process requires the agency to provide notice of the proposed actions and offer an opportunity to submit comment.

The Division of Administrative Rules is the enabler of public participation in the rulemaking process. The division is responsible for publishing notices of proposed rules, and other rule filings, in the Utah State Bulletin (found at http://www.rules.utah.gov/publicat/bulletin.htm) and making the information available to the public.

When a rule is published in the Utah State Bulletin, in addition to a summary, statement of purpose, anticipated cost and savings, the text of the rule, and other information, it also includes the date by which public comments are due, and the name of the person (or persons) designated by the agency to respond to questions and receive public comment.

Publication in the Bulletin signals the beginning of a 30-day comment period. The agency may extend the public

Mike Brochinsky, Sophia Manousakis, Nancy Lancaster, Ken Hansen

comment period to 113 days from the date of publication. During this comment period, interested persons may also request that an agency hold a hearing (Utah Code § 63G-3-302). The Rulemaking Act requires that the agency then take seven calendar days after the public comment period to consider comments received before taking action on the proposed rule (Utah Code § 63G-3-301).

The rulemaking process is designed to inform the public of policy implementation actions an agency plans to take. It provides them with an opportunity to submit comment and thereby have their voices heard.



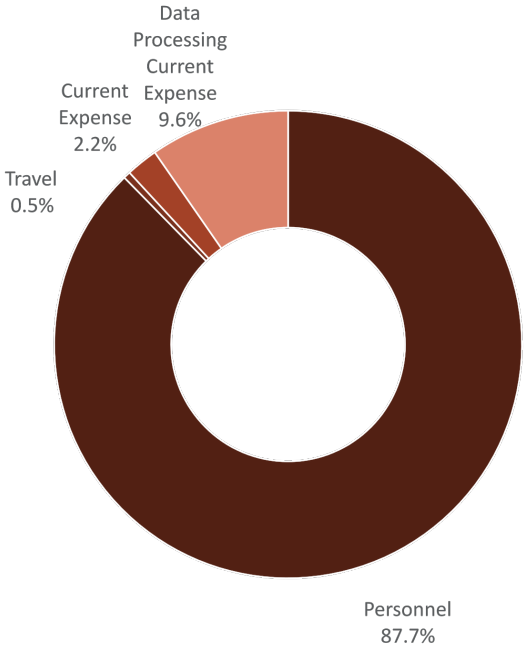
## FY 2014 Division Highlights

- Process Efficiency — Division staff have improved the turnaround on reviewing rule filings from 74.68% within 13 business days to 81.57% within 13 business days. The average turnaround time was 10 business days.
- eRules Security — The Division worked in conjunction with the Department of Technology Services to increase security on its eRules application. This project included upgrades to server software, moving the servers behind a secondary firewall, and implementing other security measures.
- State Bulletin — For the 21st year in a row, the Division published 24 issues of the Utah State Bulletin on schedule.
- Rulemaking Actions — The Division received and processed 917 rule filings during FY 2014. Of these, 30%, or 275, of the rule filings were submitted to comply with statutory review requirements.

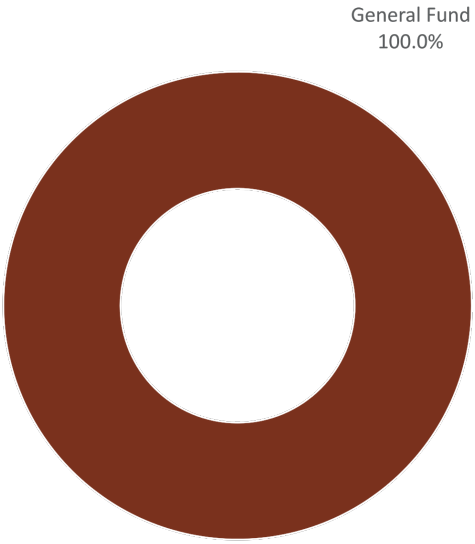
Administrative Rules Rulemaking training

## Fiscal Year Ending June 30, 2014 (Unaudited)

Administrative Rules Expenditures
$ 392,700




Administrative Rules Revenues
$ 392,700



# Services & Functions

## Rule filing/document filing

- Administrative rule filings (accessible to authorized individuals at http://erules.rules.utah.gov/)
- Executive document filing
- Public notices

## Publication of rules, and other executive branch notices

- Proposed and emergency administrative rule publication
- Effective administrative rules
- Index of changes
- Executive document publication
- Other administrative agency material

## Maintenance of the Utah Administrative Code

- Utah Administrative Code
- Monthly updates to the Code

## Rulemaking assistance to agencies

- Training
- Rulewriting Manual for Utah

## Procedural review of rules

- Procedural review of rule analyses and other rule forms — reviewed 917 rule filings and identified 159 issues in 131 rule filings related to the information provided on the required forms. These issues were resolved prior to publication
- Procedural review of rule text — reviewed 917 rule filings and identified 58 text issues in 46 rule filings. These issues were resolved prior to publication

## Agency notification of deadlines and events

- Notices of rules due for review
- Lapsing notices

# FY 2014 Statewide Customer Service Summary

| Services Provided | Total |
|---|---|
| **Rule Filing/Document Filing** | |
| **Administrative rule filing and agency public notice** | |
| Rule filings submitted | 917 |
| Five-year expiration for noncompliance (63G-3-305) | 3 |
| Legislative nonreauthorization | 0 |
| Five-year reviews | 275 |
| **Executive document Filing** | |
| Governor's executive documents submitted for publication | 18 |
| **Application performance** | |
| State agency public notices submitted for publication | 32 |
| **Publication of rules & other executive branch notices** | |
| **Utah State Bulletin** | |
| Percentage of complete filings published on time | 100% |
| Publication errors made by the division | 0 |
| **Maintenance of Utah Administrative Code** | |
| **Administrative code repository** | |
| Rules in July 1 code | 2,032 |
| Volume of rules in July 1 code (kilobytes) | 30,225 |
| **Codification of Rules** | |
| Codification errors made by the division | 0 |
| **Rule making assistance to agencies** | |
| **Training** | |
| Number of staff attending rules training | 42 |
| Cumulative hours trained | 126 |
| **Procedural review of rules** | |
| **Resolution of files** | |
| Filings with issues resolved prior to publication | 145 |
| Filings with issues as % of total filings | 16% |
| Total number of issues identified and resolved | 175 |
| **Timely review of rules** | |
| Average number of days to review filings | 10 |
| **Agency notification of deadlines & events** | |
| **Notice of rules due for five-year review** | |
| Number of rules for which the statutorily required notice was sent | 232 |
| Percentage of rules for which statutorily required notice was sent by the statutory deadline | 100% |
| Number of rules due for five-year review for which a second courtesy reminder was sent | 111 |
| **Notice of rules about to lapse** | |
| Number of rules for which notice of rules about to lapse was sent | 24 |

# Archives & Records Service

Administrative Offices:
346 South Rio Grande
Salt Lake City, UT 84101-1106
Mon - Fri 8:00 am - 5:00 pm
Phone: (801) 531-3848
www.archives.utah.gov

Research Center:
300 South Rio Grande
Salt Lake City, UT 84101-1182
Mon - Fri 9:00 am - 4:00 pm
Phone: (801) 533-3535



## Executive Team

- Patricia Smith-Mansfield, Director
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- John Koerner, Administrative Services Manager
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- Rosemary Cundiff, Records Ombudsman
  rcundiff@utah.gov (801) 531-3858

## Division Message

Patricia Smith-Mansfield, Director

The State Archives understands the big picture when it comes to government records. We understand the process of open records as mandated by the Government Records Access and Management Act (GRAMA), the importance of preserving historical records, and how access to records secures critical rights of citizens and ensures our history is told. We take the long view and plan for the future of records – their management, their care, their access — including through the possible obsolescence of their formats.

With that in mind, the State Archives is proud to announce its new Strategic Plan, FY 2015-2019. Our plan is a five-year, living document that directs our daily work. Over the course of time, we will revisit, review, and revise the plan; establish yearly goals; and publish annual accomplishments. The goals of our plan are: *Building one Archives*, to develop one community with a common purpose; *Access for the present and the future*, to modernize our approach and embrace the digital world; and *Result-driven communication*, to produce standardized and documented policies and procedures.

To increase our efficiency, the State Archives is committed to the process of continuous improvement. The State Archives' goal is to ensure legal access to government records — to get the right records to the right people at the right time. Our records analysts assist governmental entities with the creation, care, retention, and access to records during their administrative use. Our archivists assert custodianship over historical and permanent government records and assist

John Koerner, Rosemary Cundiff, Patricia Smith-Mansfield, Ken Williams

Weber County Assessor's records, flood recovery triage.



cultural institutions in the care, access, and preservation of the state's historical documents. In this age of rapidly changing technology, the State Archives ensures that changing technology does not result in an information dark age for future generations.

To build our future, the State Archives must ensure that government records are maintained and preserved properly so that they are available to future generations. Government records document government, promote history, and secure rights. Records are essential to providing information that protects life, property, and rights. Historical records, and their context, enrich future generations. They provide communities with a connection to the past and a historical foundation from which to build a future.

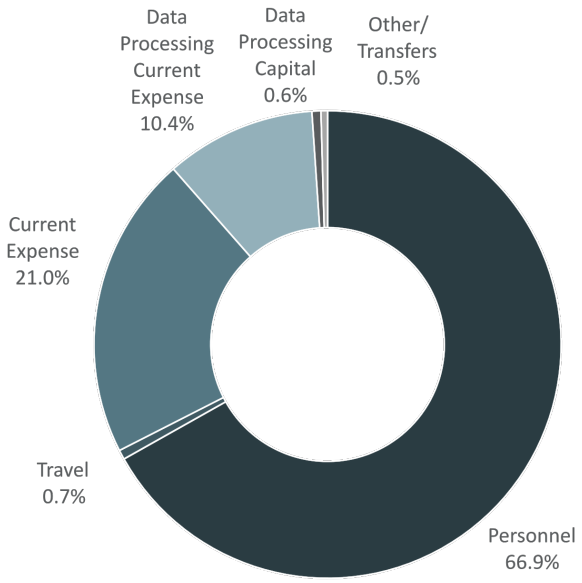
We invite the public to visit our About Us page to read our current strategic plan and review our accomplishments and results of past plans.

## FY 2014 Division Highlights

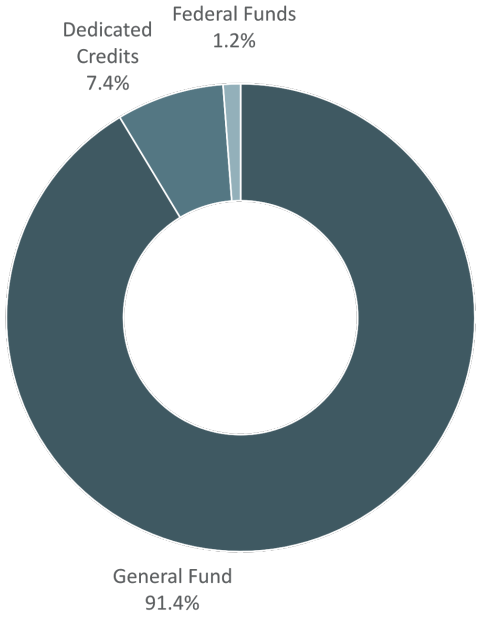
- The Archives hosted the 2013 Best Practices Exchange in Salt Lake City, a national conference for state archivists and state librarians on the issues of electronic records preservation.
- The Archives completed a local government records project in Tooele County, funded in part by a grant from the National Historical Publications and Records Commission.
- The Utah State Historical Records Advisory Board awarded nine preservation and access grants to local repositories for a total of $10,998. Funding for re-grants comes from a National Historical Publications and Records Commission grant.
- Volunteers contributed 6,678 hours to the acquiring, processing, and describing of essential records in the Archives' custody.
- The Archives acquired, processed, and made available to the public, 67 cubic feet of Legislative Floor Debate Recordings from 1957-1989.
- The Western States and Territories Preservation Assistance Service (WESTPAS), in cooperation with the Utah State Library, Utah State Archives, and Utah Academic Library Consortium, offered a disaster preparedness and response workshop for cultural property collections housed in local repositories.
- The government records ombudsman provided 1,565 consultations, including in-person, telephone, and email assistance and facilitated formal mediations in 26 instances.
- The Archives provided assistance and training to 5,030 state and local government employees on records management and public notices issues and certified 1,160 records officers and other interested governmental employees.
- The Archives provides support to the State Records Committee, which conducted 26 hearings out of 129 requests for hearings.
- The Digital Archives had 2,764,343 patron accesses. The Archives posted an additional 65,896 digitized records online, including Territorial Secretary Papers, Birth and Death Registers, House Working Bills, and Cemetery Records for online access.
- The Archives processed 1,183 cubic feet of historical records including Burial, Deed, and Lot Records from numerous cemeteries; City Ordinances and Minutes; District Court Registers and Record Books; Student Records; and Birth and Death Registers.
- "Family Tree Magazine" honored the Archives' website as one of the Best State Websites for Vital Records.
- The Archives reformatted 3,258,000 record images, digitizing over 2,351,000 records for access and microfilming 906,850 records for preservation.

# Fiscal Year Ending June 30, 2014 (Unaudited)

Archives & Records Service Expenditures
$ 2,432,000




Archives & Records Service Revenues
$ 2,432,000




# Services & Functions

## Records Management Services

- Provides consulting services and surveys to state and local government agencies in records management and establishes guidelines and standards.
- Provides online training and annual certification to state and local government records officers and other officials.
- Maintains an online list of governmental entities' records officers, their contact information, and certification status.
- Maintains general and agency-specific record retention schedules.
- Provides training on the Government Records Access and Management Act (GRAMA) and records management.
- Provides staff support and services to the State Records Committee.
- Stores and retrieves inactive records for governmental entities. Properly destroys obsolete records according to legal retention periods.

## Records Ombudsman

- Assists public and agencies with GRAMA issues and mediates disputes — information, requests, appeals, and classification.

## Archives Services and Public Access

- Appraises state records and assists governmental entities and repositories with appraisal of historical records.
- Maintains non-current records of permanent historical value. Preserves the original record.
- Maintains and provides access to public records in Archives' custody, assisting patrons through research room services and online. Provides copies of historical records in a variety of formats.
- Creates guides, finding aids, and indexes and arranges, describes, and catalogs historical records in Archives' custody.

## Public Outreach

- Provides outreach, training, research workshops, papers, and presentations on archival preservation, access, and topics of historical significance.
- Provides support for the network of approved regional repositories and assistance to local repositories.
- Maintains public records and manages grant program.

## Preservation Services

- Operates a microphotography imaging center. Reformats records to preserve permanent records.

- Establishes and maintains standards of quality control and assists agencies in microfilming/ digital programs. Provides access to microfilmed records; conversion to electronic format.

### Public Notice and Assistance

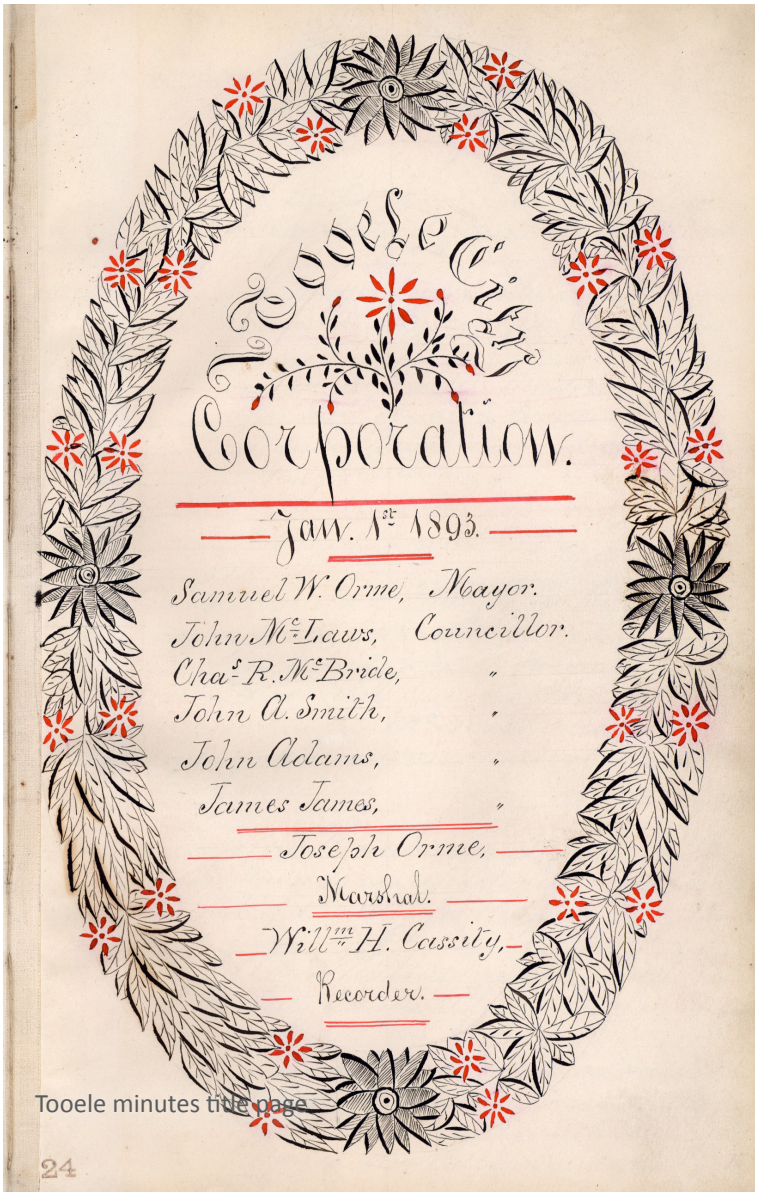
- Administers the Utah Public Meeting Notice Website and provides training. Maintains and provides access to governmental entities' public meeting and hearing notices, minutes, public information, and agenda.

## Boards & Committees

- State Records Committee
- Utah State Historical Records Advisory Board

## Grants Completed in FY 2014

National Historical Publications and Records Commission Grant, $32,000, for support of the Utah State Historical Records Advisory Board, to provide training and development to local repository staff and volunteers at regional repositories, and to preserve local government records.


Tooele City
Corporation.
Jan. 1st 1893.
Samuel W. Orme, Mayor.
John McLaws, Councillor.
Chas. R. McBride, "
John A. Smith, "
John Adams, "
James James, "
Joseph Orme,
Marshal.
Wm. H. Cassity,
Recorder.
24

Tooele minutes title page

## FY 2014 Statewide Customer Service Summary

| Services Provided | Total |
|---|---|
| **Records Management** | |
| Agency consultations/trainings | 5,030 |
| Records Officers certified | 1,160 |
| Records retention schedules | 27,437 |
| Records participation (blog views) | 12,053 |
| **Records Storage** | |
| Volume of records | 127,375 |
| Accession of records (monthly accessions) | 9,660 |
| Retrieval of inactive records (monthly pulls) | 6,535 |
| Destruction of obsolete records | 5,704 |
| **Access of Essential Records** | |
| Patron Research Center assistance | 8,181 |
| Public research on digital archives | 2,764,343 |
| Public use of Public Notice website | 134,740 |
| Patron participation (blog views) | 5,357 |
| **Preservation of Records** | |
| Historical records volume | 44,428 |
| Historical records on microfilm | 120,034 |
| Consultations/trainings | 167 |
| **Reformatting** | |
| Reformatting | 3,257,986 |
| **Public Notices** | |
| Public bodies | 3,175 |
| Public notices | 26,715 |
| **State Records Committee** | |
| Appeals heard | 26 |
| Appeals denied | 5 |
| Appeals requested | 129 |
| **Records Ombudsman** | |
| Records assistance | 1,565 |
| Mediation | 26 |

# Facilities Construction & Management

4110 State Office Building
Salt Lake City, UT 84114
Phone: (801) 538-3018
www.dfcm.utah.gov

## Executive Team

- Joshua Haines, Director
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- Bruce Whittington, Deputy Director
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- Jim Russell, Construction Program Manager
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- Darrell Hunting, Construction Field Manager
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- Jake Jacobson, Facilities Management Program Manager
  jjacobson@utah.gov (801) 538-3303
- Cee Cee Niederhauser, Administrative Assistant
  cniederhauser@utah.gov (801) 538-3261

Joshua Haines, Director

The Division of Facilities Construction and Management (DFCM) is responsible for state owned and occupied facilities. Responsibilities encompass all phases of construction, maintenance, leasing, and energy services. DFCM oversees all non-higher education and non-judicial branch leases as well as managing the allocation of state owned space. In FY 2014, DFCM managed over $1.2 billion in new construction and improvement projects throughout the state and in so doing remains committed to maintaining exceptional services to our clients. In addition, DFCM manages the day to day operation and maintenance of over 162 buildings and 6.8 million square feet of space which house state agencies and educational entities across the state. Another responsibility is to support the Utah State Building Board in developing its recommendations for Capital Development projects and allocating Capital Improvement funds.

Our goals include providing the highest quality in service and management together with best value solutions for our clients. In order to accomplish this we are leveraging the expertise of our professional and hardworking employees in all aspects of the construction and maintenance field. It is our job to ensure Utah's buildings are being maintained and cared for in a manner which will extend the life of each building to maximize each dollar spent.

To help agencies meet the Governor's energy conservation goals and maintain fiscal responsibility, DFCM provides energy reduction assistance. DFCM's Energy Group provides

Jake Jacobson, Bruce Whittington, Joshua Haines, Jim Russell, Darell Hunting

Estes Center, Utah State University

assistance to agencies and manages the State's Revolving Loan Fund which supplies low cost loans for energy projects throughout the state. We have had phenomenal success with this program and have saved Utah millions of dollars annually. We have also helped cut emissions produced by State facilities dramatically. Our new buildings meet or exceed LEED Silver requirements. This same program is designed to extend the life cycle of our buildings to further save the State funds throughout the years.

Over the past few years DFCM has struggled with budget challenges as the economic downturn impacted the State. In light of these challenges, the Division has endeavored to increase the quality of service through restructuring, new efficiencies and innovation. We initiated and developed the AIM Capital Planning and Project Management (CPPM) solution that helps our organization and project managers increase fiscal controls and improve financial accountability for capital projects. We also streamlined capital planning and management processes to reduce capital expenditures and improve rates of return from capital investments. These changes have led to dramatic improvements over the last year and we will continue to drive these changes forward.

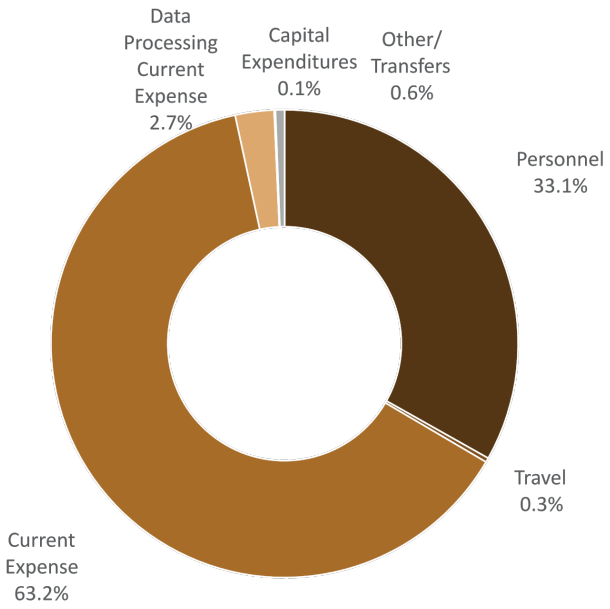
Our mission is to exceed our stakeholder's expectations by application of our knowledge, skills, tools, techniques and most importantly our communications. In order to achieve the strategic objectives delineated by the Executive and Legislative branches, it is our responsibility to provide the necessary planning, execution, monitoring, best practices and standards methodology.

## FY 2014 Division Highlights

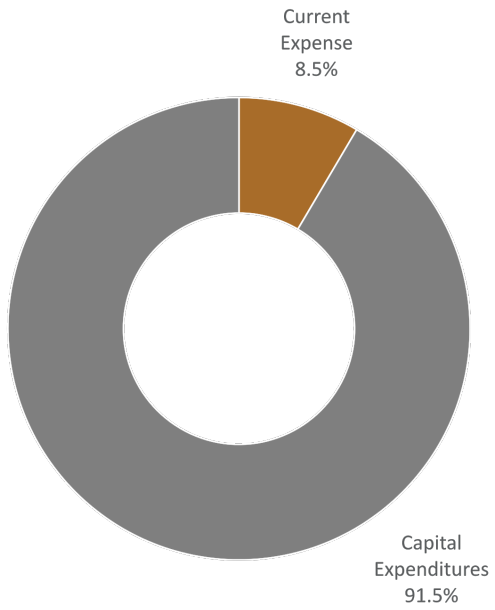
- Reorganized Division structure and consolidated office, resulting in a reduction in office space and operating cost
- Provided Project Management Professional (PMP) certification training to project managers
- Created a new Cost Control Program at DFCM
- Established several focus groups with private sector partners, resulting in changes to the selection processes and professional fee schedules
- DFCM's average maintenance cost per square foot is 25% below the local and 45% below the national average (published by BOMA)
- Completed a comprehensive Master Plan for the State Fair Park property
- DFCM's Energy Group lead the way with new robust High Performance Building Energy Efficiency Standards for new construction projects
- A total of $8.3 Million in solar grants were secured for sixteen solar projects (4.6 Megawatts) in state buildings
- Implemented new Safety Training
- Saved $11 Million in energy costs throughout the state through the work initiated by the DFCM Energy Group
- Construction Program Manager, Jim Russell awarded the Project Manager of the Year from Associated General Contractors
- Completed the Prison Reallocation and Develoment Authority (PRADA) Master Plan
- Finalized the DFCM BIM Standard
- Reached out to the construction community to participate in OSHA's Safety Stand Down, creating greater focus on safety in the work place
- Reduced average lease costs by 3% this year due to the work of DFCM's Real Estate Group
- Implemented Fee Services Revision
- Closed out a total of 396 projects — a new DFCM milestone and an increase of 53% over the three previous years
- Increased non-state fee revenue 57% over last year

# Fiscal Year Ending June 30, 2014 (Unaudited)

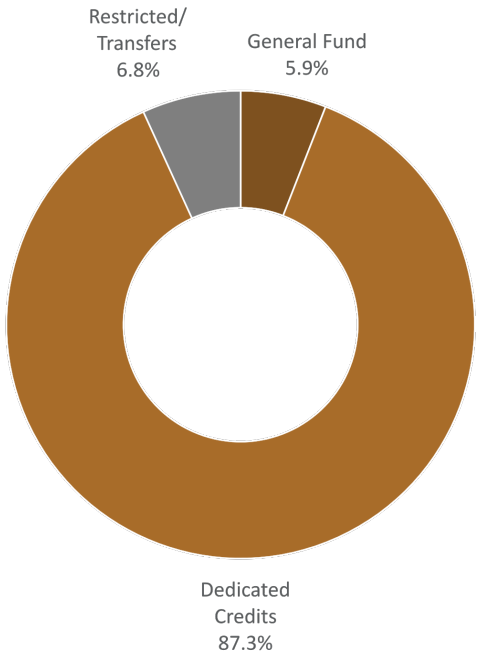
DFCM Appropriated & ISF Expenditures
$ 34,258,600



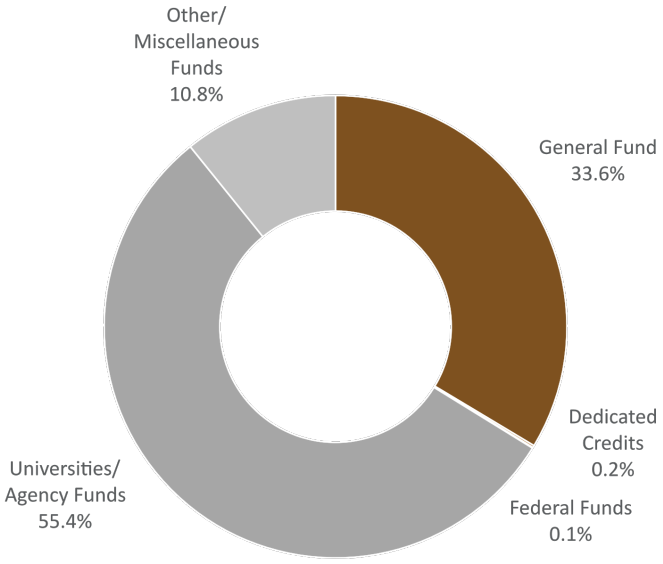

DFCM Capital Projects Expenditures
$ 363,465,000




DFCM Appropriated & ISF Revenues
$ 34,170,100




DFCM Capital Projects Revenues
$ 363,465,000



## Services & Functions

The Construction Management section of DFCM is responsible for constructing facilities. After buildings are approved and funded by the Utah State Legislature, the Construction Management team is responsible for architectural programming and design of each project; construction management, testing and inspection services; and monitoring the warranty period. Experienced project managers ensure that the design complies with state standards and adopted codes, the designer and contractor selections are managed in accordance with state law and rule, and the project scope that was approved is satisfied. This includes capital improvement and capital development projects, and projects that are either partially or fully funded with non-state funds. The Construction Management section also has several specialty programs to ensure longevity and best management practices for state facilities, including roofing, paving, hazardous materials abatement, and specialists in mechanical and electrical systems. State agencies and institutions rely on these professionals for efficient and effective solutions.

The Facilities Management section of DFCM provides building maintenance and management services to state agency subscribers. Services are currently provided to 162 individual programs throughout the state occupying over 6.8 million square feet of space. This program operates as an Internal Service Fund, with services being provided through operating and maintenance agreements. Each agreement is tailored specifically to the location, in both cost per square foot and services provided, to meet the needs of the tenant agency. Each agreement is reviewed annually and adjusted as needed.

To provide complete facility management services, the program consists of the following four sections. Each section has different responsibilities, but all work together to ensure state assets are operated and maintained properly.

- Facilities Management oversees the maintenance efforts of both state owned and leased buildings by providing skilled maintenance and grounds staff, offset by management of specialty service contracts as needed.
- Energy Management provides conservation measures and expertise to ensure managed facilities are operating efficiently.
- Electronic Resource Group provides full support and maintenance for the various building and security automation systems in our managed buildings.
- Central Support Services provides the internal contracting and accounting functions required to support the facilities management operation.

40 buildings managed by DFCM were verified as exceeding the national energy star label rating standard.

Facilities Management grounds staff working on the gravel path around the Capitol Hill complex.

Salt Lake Community College Center for Arts and Media

The Real Estate group of DFCM manages and negotiates all real property leases for most State agencies and institutions. Through the Real Estate Group, DFCM manages about $24 million of state agency budgets appropriated for rent. This group manages facility and land leases, real property acquisitions, right of way, easements, general obligation bonds and all other real property related issues.

The Real Estate group's goal in lease management is to effectively negotiate favorable lease rates through highlighting the stability of agencies as tenants and the excellent credit rating of the State. An ongoing initiative is to negotiate fixed-rate lease renewal options to improve agency budgeting and long term leasing opportunity. In addition, the Real Estate group works towards cost saving consolidation of leased space into less expensive State-owned space where possible.

The State Building Energy Efficiency Program (SBEEP) strives to carry out the goal of improving energy efficiency and reducing the energy costs for state facilities. The program looks at effective ways through efficiency measures to reduce operating costs, lower maintenance costs and extend the life of building equipment. The efficiency programs being targeted by the State Building Energy Efficiency Program are:

- High performance building standard for capital development projects
- Energy efficiency in capital improvement projects where cost effective over the life cycle
- Building systems commissioning
- Building envelope commissioning
- Energy efficiency incentives programs for new and existing buildings
- Renewable energy projects
- State facility energy efficiency loan fund projects
- Energy retrofits to optimize energy efficiency in existing buildings
- Energy saving performance contracts

From design to operations, the costs incurred by the state in implementing energy efficient measures in state owned buildings will, over time, yield monetary benefits that exceed costs of the project. SBEEP is a resource for state facilities to help guide monetarily conscious energy efficiency decisions. The program provides funding resources as well as tools and cost-effective methods for energy efficient design, construction and operations. SBEEP aims to reduce wasted energy impacts from building while creating and maintaining high quality spaces for State building occupants. The goal is to implement energy efficiency in new and existing buildings that yield life cycle cost effectiveness to the State of Utah.

## Boards & Committees

The following boards or committees oversee DFCM or provide advisory support:

- State Building Board
- Administrative Services Rate Committee
- Utah State Code Commission
- State Building Ownership Authority
- Utah State Seismic Safety Commission
- Utah State Legislative Infrastructure & General Government Appropriations Committee

## FY 2014 Statewide Customer Service Summary

| Services Provided | Total |
|---|---|
| **Real Estate Current Leases** | |
| **Office Space** | |
| Total number of leases | 213 |
| Total square feet | 1,030,975 |
| Total annual rent | $ 17,108,756 |
| Average cost per square foot | $ 16.59 |
| **Non-office Space** | |
| Total number of leases | 126 |
| Total square feet | 12,978,910 |
| Total annual rent | $ 6,124,974 |
| Average cost per square foot | $ 0.47 |
| **Operations & Maintenance** | |
| **Office Space** | |
| Total number of operations & maintenance agreements | 134 |
| Total square feet | 5,552,223 |
| Total annual rent | $ 25,966,322 |
| Average cost per square foot | $ 4.68 |
| **Non-office Space** | |
| Total number of operations & maintenance agreements | 27 |
| Total square feet | 1,290,937 |
| Total annual rent | $ 3,272,178 |
| Average cost per square foot | $ 2.53 |

Solar panel project for the National Guard

# Finance

2110 State Office Building
Salt Lake City, UT 84114
Phone: (801) 538-3082
Email: financecomments@utah.gov
www.finance.utah.gov

## Executive Team

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- Rick Beckstead, Accounting Operations Manager
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- Marcie Handy, Assistant Comptroller
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- Jerry Gearheart, Financial Information Systems Manager
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- Mark Austin, State Payroll Coordinator
  maustin@utah.gov (801) 538-3023
- Dave Williams, CBA Director
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- Sam Howlett (DTS), IT Manager
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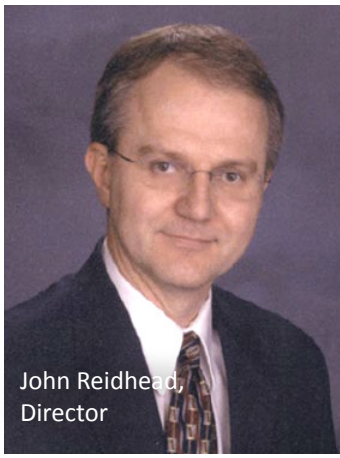
- Barbara Sutherland, Administrative Assistant
  bsutherland@utah.gov (801) 538-3020



## Division Message


John Reidhead, Director

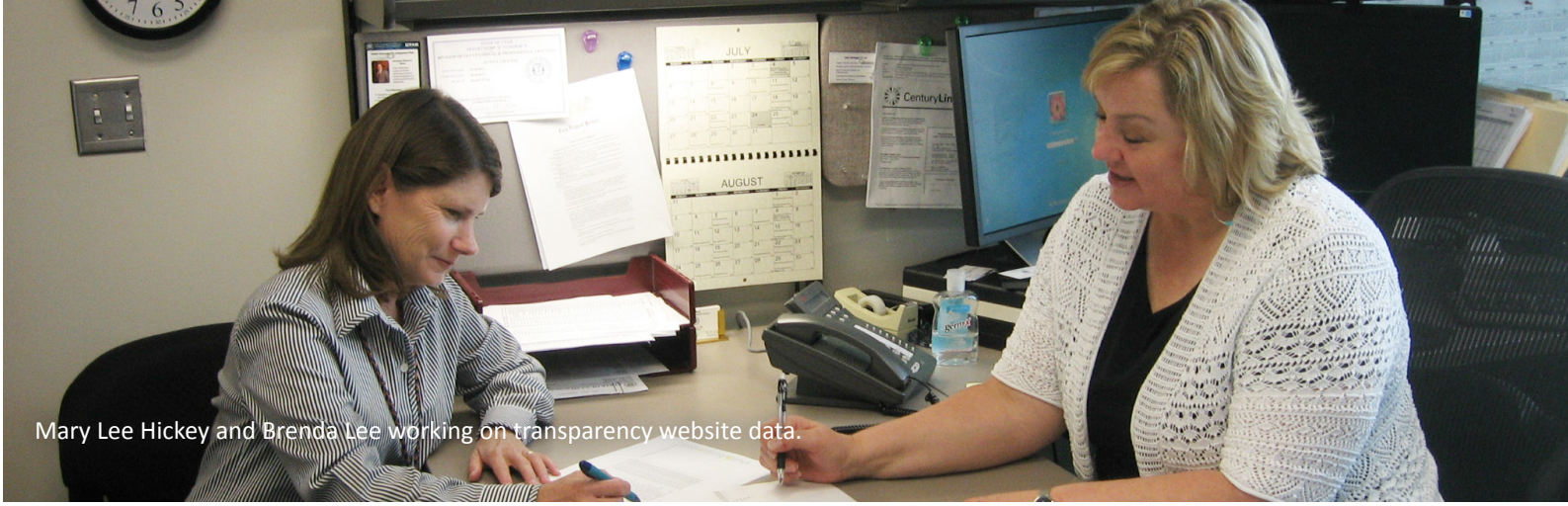
The Division of Finance serves Utah citizens and state agencies with fiscal leadership and quality financial systems, processes, and information. This includes maintaining the State's central accounting and payroll systems; ensuring compliance with state financial laws; providing a statewide data warehouse of financial information; producing the State's official financial statements; processing the State's payments to vendors and employees; operating the Office of State Debt Collection; maintaining the State's financial transparency website; and operating the DAS' consolidated budget and accounting group.

As the central accounting office of the State, the Division of Finance's operations cover a wide variety of services. We are fortunate to have a highly dedicated team of employees who are the key to our operations. We also appreciate the cooperation we receive from our customer agencies, especially the budget and accounting officers throughout the State, without whom we could not accomplish our responsibilities.

FY 2014 has been another year of progress mixed with challenges as we continued to strive to improve the efficiency and effectiveness of our operations. Some of our successes this past year were:

Office of State Debt Collection (OSDC) — Continued focus on our relatively new Wage-Match program in conjunction with the Department of Workforce Services, is helping us locate more debtors and increase overall collections. Collections

Back row: Jerry Gearheart, Barbara Sutherland, Marcie Handy, Brenda Lee
Front Row: David Williams, Rick Beckstead, Sam Howlett, Mark Austin, John Reidhead


Mary Lee Hickey and Brenda Lee working on transparency website data.

by outside collection agencies under contract also increased and three new agencies were added this past year. This was the best year OSDC has had for collections, surpassing the previous record set last year. FY 2014 collections enabled OSDC to transfer $500,000 to the general fund that was collected in fees and interest over and above operational expenses.

Vendor credit card payments — We completed the second year of this program with US Bank which provides vendors the option to be paid by credit card for their convenience. In addition to lowering processing costs, as expected, there was significant growth in revenue via rebates in FY 2014.

Systems — We implemented the new FINDER system for administrative offset collections as well as a new travel module in the payroll system which is optional for agency use. The new FINDER system resulted in a reduction of one FTE due to more automation and efficiencies for us as well as our customers, increased quality, and better notification to debtors.

During Fiscal Year 2015, one of our main priorities will be to upgrade FINET, the statewide accounting system, to the latest version offered by the vendor. This will provide improvements, enhance data security, and extend the useful life of the system. In addition, we will continue to focus on improving data security of our systems; increasing recoveries in our debt collection programs; and helping the State comply with new Payment Card Industry (PCI) data security standards for accepting credit cards.

## FY 2014 Division Highlights

- Utah's Comprehensive Annual Financial Report (CAFR) — Produced Utah's FY 2013 CAFR in 115 days. This was the second fastest among states for FY 2013.
- National Awards — Utah earned the Certificate of Achievement of Excellence in Financial Reporting from the Governmental Finance Officers Association for the 29th consecutive year.
- FINDER — Collected $15.4 million in debts through the FINDER system, including $1.3 million owed to the IRS.
- Collections — Collected $7.6 million ($2.6 million collected through FINDER) in receivables, fees, and interest through the Office of State Debt Collection (OSDC) that would otherwise have been written off. For every dollar spent on collection programs, Finance was able to collect $14 in debt and fees owed to the State.
- FINET Productivity — Processed 1,664,000 documents in FINET and handled 6,555 calls through the Help Desk.
- Card-Based Vendor Payments — Completed the second year of a card-based vendor payment program with U.S. Bank that helps increase efficiency and generated $655,000 of income to the State through rebates.
- P-card Rebates — Issued $122,900 in rebates on p-card purchases to state agencies and $32,100 to participating local governments.
- Leadership — John C. Reidhead, Director, Division of Finance, Vice President 2014-2015 National Association of State Comptrollers (NASC), Executive Committee Member of National Association of State Auditors, Comptrollers and Treasurers (NASACT). Richard Beckstead, Accounting Operations Manager, Division of Finance, Treasurer 2014-2016 National Conference of State Social Security Administrators. (NCSSSA). John Baylis, President-Elect 2014-2015 Northern Utah Association of Government Accountants (NUAGA).

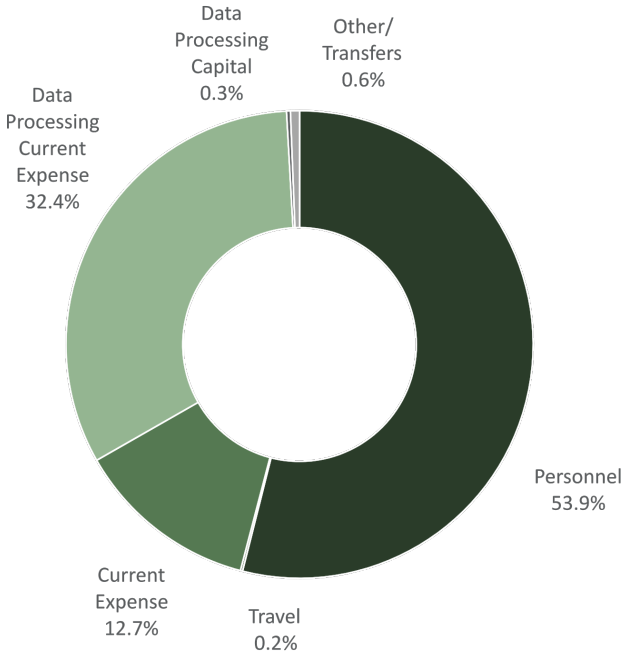
## Services & Functions

Accounting Operations/Disbursements — Manages the statewide Internal Control Self- Assessment Program which is designed to help agencies evaluate and improve their internal controls. Audits travel and payment vouchers. Manages over 105,000 vendors in the FINET accounting system. Processes and submits 1099 reportable income information to the IRS each calendar year end. Processes tax refund payments and the mailing and distribution of all centrally processed payments made from state funds.

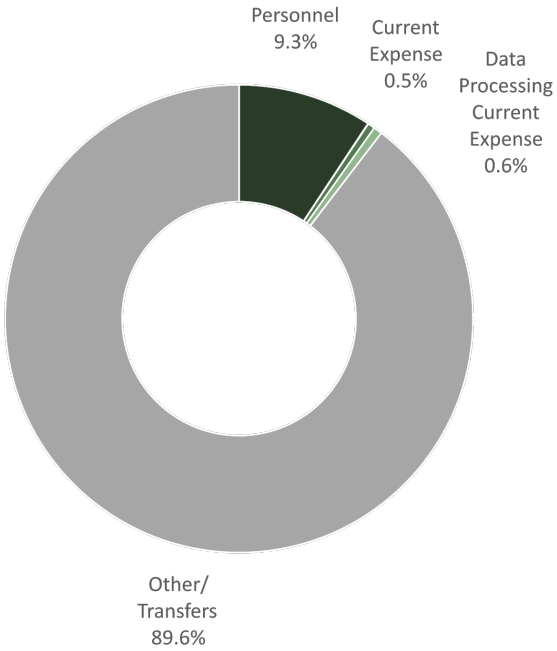
Administers the FINDER program which matches tax refunds and vendor payments with outstanding receivables due to the State. Those receivables include tax bills, child support, student loans, court fines, and unemployment insurance. Manages the State's Purchasing Card (P-card) program for state agencies and participating local governments.

# Fiscal Year Ending June 30, 2014 (Unaudited)

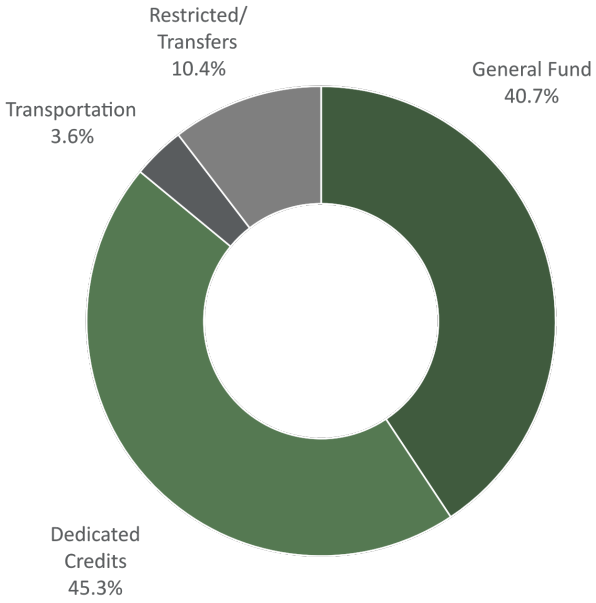
Finance Appropriated & ISFs Expenditures
$ 12,382,100



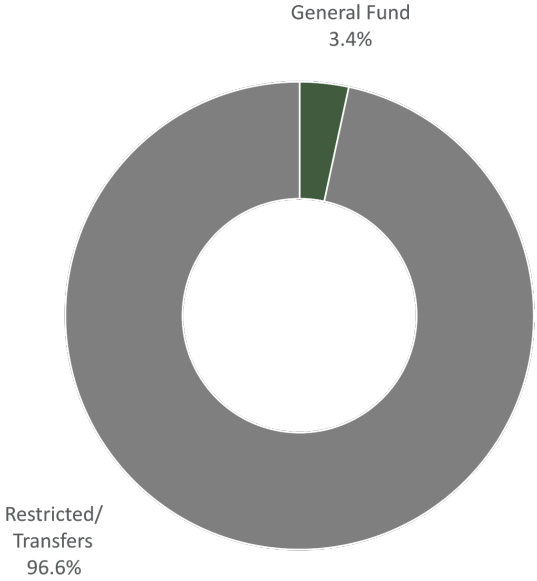

Finance Mandated Expenditures
$ 21,533,300




Finance Appropriated & ISFs Revenues
$ 12,470,500




Finance Mandated Revenues
$ 21,533,300




Includes OSDC, JCC, and Post Conviction

Includes OIG

Office of State Debt Collection (OSDC) — Collects and manages state receivables, develops consistent policies, procedures and guidelines for accounting, reporting, collecting and writing-off monies owed to the state. Prepares annual reports of the State's receivables. Oversees and monitors many state agencies' non-tax receivables to ensure that state agencies follow established policies and procedures, and collection of accounts receivable is efficient.

Financial Reporting — Issues the State's audited Comprehensive Annual Financial Report (CAFR). Coordinates budget setup, monitors agency budgets, and prepares the statewide cost allocation plan. Provides accounting, servicing, and safeguarding of original loan documents for loans issued by state agencies. Monitors the Payment Tracking System (PTS) that interfaces with state agencies and the bank to insure that only approved payments are paid by the State's bank. Monitors the statewide Fixed Asset System. Monitors and coordinates with agencies on credit card issues and PCI compliance. Develops and maintains statewide Accounting Policies and Procedures for the State.

Financial Information Systems — Maintains and operates FINET, the statewide accounting system, including providing a help desk and training to state agency personnel. Maintains the statewide data warehouse of financial, payroll, and certain personnel information. Maintains other systems such as Payment Tracking and FINDER. Provides data to the State's financial transparency website.

Payroll — Maintains and operates the statewide payroll system, including the payroll self-service portal (ESS). Produces and processes employee pay, benefits, and deduction data such as regular wages, other pay, overtime, insurance, retirement, salary deferrals, charitable fund contributions, etc. Manages the Travel Management Module in the payroll system which allows a more paperless processing of employee's travel and other expense reimbursements.

## Consolidated Budget & Accounting (CBA)

David Williams, Director

The CBA group performs the budget and accounting services for the entire department in a centralized unit. This group was organized to take advantage of existing expertise in the department, to perform the accounting procedures more effectively and efficiently by capitalizing on economies of scale, and to position the DAS to offer accounting as a service to other agencies in the future. The consolidation has assisted with improving consistency across divisions, systems and processes. Since inception, the CBA has been able to increase productivity and absorb additional workload from the DAS divisions.

The creation of this group has allowed DAS divisions to focus on their core operations with the confidence that the budget and accounting functions are taken care of. Service level agreements enable divisions to understand the services provided and help ensure that the timeliness and quality of service is maintained.

The CBA is operated as an Internal Service Fund. The CBA finished FY 2013 and FY 2014 with positive retained earnings. For FY 2014, the Office of Inspector General of Medicaid Services was added as a new DAS program with the budget and accounting being done by the CBA. We also added DAS Risk Management budget and accounting services to our group. We look forward to serving the budget and accounting needs of the DAS, and gaining even more efficiencies for our customers.

## FY 2014 Statewide Customer Service Summary

| Services Provided | Total |
|---|---|
| **Accounting Operations** | |
| FINDER intercepts | 60,302 |
| FINDER intercept collections | $ 15,397,669 |
| Post-audited payments | 6,984 |
| Post-audit findings | 231 |
| P-card transactions | 124,219 |
| P-card dollars spent (state-managed cards) | $ 26,786,560 |
| **Financial Information Systems** | |
| Interfaces processed | 11,889 |
| FINET documents processed via interface | 720,830 |
| FINET documents processed total | 1,663,601 |
| Accounting lines processed in FINET | 9,639,775 |
| Help Desk calls | 6,555 |
| Students attending training | 489 |
| **Payroll** | |
| Active employees on SAP | 29,191 |
| Employees with access to ESS time entry | 18,162 |
| Number of off-cycle checks | 420 |
| **Office of State Debt Collection** | |
| Accounts placed for collection | 27,593 |
| Value of accounts placed for collection | $ 66,264,483 |
| Number of payments received | 41,513 |
| Payments received | $ 7,577,611 |
| **Financial Reporting** | |
| Number of loans serviced | 2,286 |
| Serviced loans principle balance | $ 1,254,312,791 |

# Fleet Operations

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Salt Lake City, UT 84114
Phone: (801) 538-3014
www.fleet.utah.gov

## Executive Team

- Chad Whitlock, Director
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- Scott Bingham, Fleet Manager
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- Jeff Done, Fuel Network Manager
  jeffdone@utah.gov (801) 538-3695
- Tami Nelson, State Travel Manager
  taminelson@utah.gov (801) 538-3109

## Division Message

Chad Whitlock, Director

The Division of Fleet Operations (DFO) provides fleet, fuel, and business travel services to state agencies, institutions of higher education, and local governments within the state. In conjunction with the Governor's energy initiatives, in FY 2014, Fleet Operations closely examined the Fleet and Fuel programs to identify ways to create a better utilized, more energy-friendly fleet. This process will continue throughout the next fiscal year and we look forward to the collaborative sharing of ideas with our customers to create the best value for the tax payer while providing mission critical tools to those we serve.

State Fleet — This program is tasked with the responsibility to manage all aspects of the state fleet from the purchase to the sale of the vehicle at the end of its useful life. Core functions include the maintenance/repair of vehicles, documenting and processing vehicle accidents, roadside assistance, and tracking driver license status of vehicle operators. A primary focus of fleet staff this year was to lower repair costs through additional parts and labor price agreements with private vendors. As part of Fleet's emphasis on energy efficiency 55 new natural gas vehicles were purchased in an effort to reduce vehicle emissions.

State Fuel Network — A core requirement of a fleet management program is to provide fuel to state customers at a competitive rate. The fuel network provides this critical function for more than 40,000 vehicles participating at all levels of state and local government. Staff orders and

Jeff Done, Tami Nelson, Scott Bingham

State fuel site

maintains fuel for 450 fuel storage tanks state- wide, including 130 fuel sites with card readers to dispense fuel to government vehicle customers participating in the fuel network. In FY2014, the Fuel Network dispensed over 8 million gallons of fuel.

Travel Office — The Travel Office meets the business travel needs of state and local government agencies in the form of airline, hotel, and rental car booking services. The Travel Office continues to use Christopherson Business Travel (CBT) as the contracted provider to book travel arrangements for government customers. During FY2013, Travel Office agents booked more than 50,000 airline, hotel, and car reservations for state and local government travelers. The Travel Office also manages the daily rental contract with private car rental companies. One of the greatest benefits of the Travel Office is its consistently lower price and quality customer service. This year the office maintained that standard by staying on average $27 lower than the commercial market for airline tickets booked for business travel.

## FY 2014 Division Highlights

The Division continues to be recognized as an industry leader by national fleet conference organizers and magazines. The Vehicle Services Center received the 2014 NCSFA Fleet Excellence Award.

### Operational Improvements

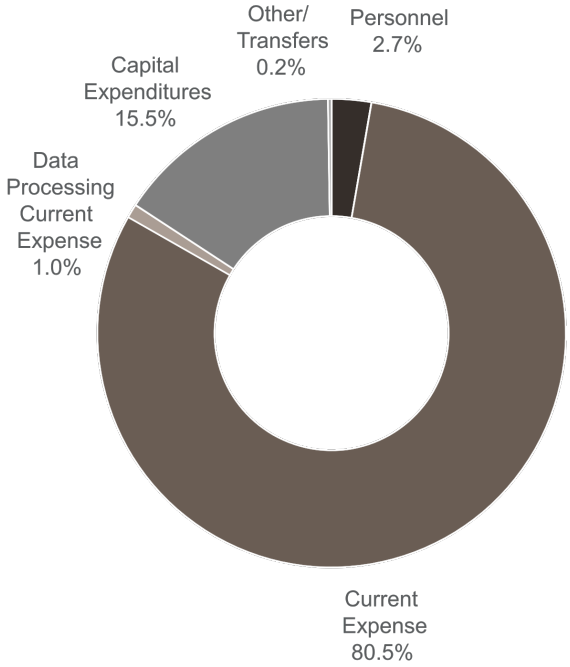
- A full implementation of the Vehicle Services Center (VSC), which manages vehicle maintenance and repair processing, finalized on January 1, 2014. With the full implementation, 4,500 vehicles leased from DFO, can receive all necessary services through the VSC call center. Drivers can call in for help, go online, or service provider listings can be found using Apple and Android applications on individual's smart phones.
- With the full implementation of the VSC, vehicle maintenance compliance is at record levels. Vehicles are being maintained on a more proactive basis, thus eliminating costly unscheduled repairs, keeping warranty intact, and having a more reliable fleet.
- Customer agencies/drivers can now submit and receive rental reservations for their respective leased vehicles. Customers are supplied a link to a website where they can enter, update and delete reservations made for vehicles located in agency pools. This offers a valuable tool, offering agencies the flexibility to make and update reservations via a system that is available 24 hours a day.

### Preparedness

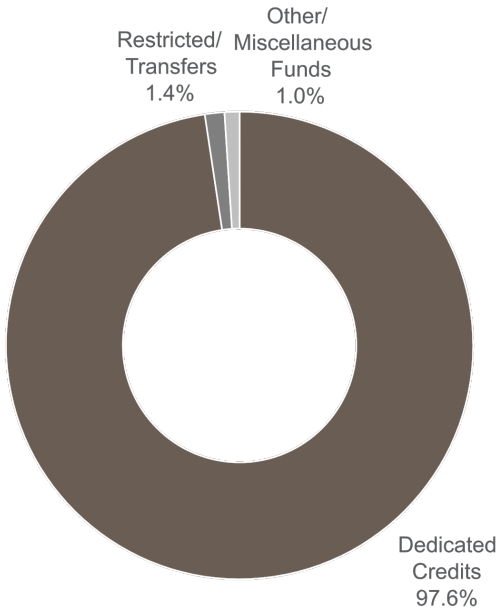
- DFO continues to play a key role in the State EOC emergency support function #12 (Energy). Fleet staff is continuing to conduct preparedness exercises. These practice routines allow the opportunity to validate existing plans, and modify them where appropriate to better handle the emergency need.

# Fiscal Year Ending June 30, 2014 (Unaudited)

Fleet Operations ISF Expenditures
$ 69,243,100




Fleet Operations ISF Revenues
$ 70,242,700




# Services & Functions

- Fleet vehicle data reports for agencies to use in the management of their vehicles
- Online airline, hotel, rental car travel request forms
- Personal owned vehicle cost comparison utility
- Fuel dispensing services from state owned fuel sites
- Fuel card services used at state fuel network and commercial fuel sites
- Fuel dispensing services to the public at state owned CNG fueling locations
- Emergency roadside assistance and vehicle maintenance support

# FY 2014 Statewide Customer Service Summary

| Services Provided | Total |
|---|---|
| **Fleet Operations** | |
| **State Agencies** | |
| Count of vehicles as of June 2014 | 5,307 |
| Total miles traveled | 67,284,310 |
| Total accidents (including preventable accidents) | 1,013 |
| Preventable accidents | 371 |
| Average miles between preventable accidents | 181,359 |
| **Higher Education** | |
| Count of vehicles as of June 2014 | 2,217 |
| Total miles traveled | 13,206,839 |
| Total accidents (including preventable accidents) | 201 |
| Preventable accidents | 97 |
| Average miles between preventable accidents | 136,153 |
| **State Fuel** | |
| **Fuel use** | |
| Gallons of fuel dispensed from State Fuel Network sites | 8,190,988 |
| **State Travel** | |
| **Airline travel** | |
| Tickets purchased | |
| Average ticket price | |

# Purchasing & General Services

3150 State Office Building
Salt Lake City, UT 84114
Phone: (801) 538-3151
www.purchasing.utah.gov

## Executive Team

- Kent Beers, Director, Chief Procurement Officer
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- Paul Mash, Deputy Director, Cooperative Contracting ISF
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- Nancy Orton, Deputy Director, Procurement Coordinator
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- Jennifer Salts, Deputy Director, Technology
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## Division Message

Kent Beers, Director

The Utah Division of Purchasing is recognized as one of the best managed public procurement agencies in the nation. In 2014, for its fifth consecutive year, State Purchasing received the "Achievement of Excellence in Procurement" award from the National Purchasing Institute. Annually, the division manages over $1.6 billion in public spend for goods and services. State Purchasing manages over 700 cooperative contracts for goods and services used by state agencies, local governments and educational entities across the state.

Two-thirds of the spend on the Statewide "Best Value" Cooperative Contracts is accounted for through purchases made by the non-state public members of the cooperative. Cooperative contracting brings together the buying power of all government entities resulting in lower prices through volume discounts, saving public entities millions of dollars, provides higher quality goods and services, and establishes stronger contract terms and conditions.

State Purchasing has completed the process of transitioning to an Internal Service Fund (ISF). In order to facilitate this transition, the Legislature authorized State Purchasing to charge a small administrative fee of up to 1% (currently averaging 0.4%) on each cooperative contract. Each time a governmental entity or school makes a purchase from a state cooperative contract, a small fee is paid by the vendor to State Purchasing. The lower prices received by government entities through State Purchasing's cooperative contracts more than offsets the cost of the administrative

Nancy Orton, Kent Beers, Jennifer Salts, Paul Mash

David Sandos, State Mail

fee. Public entities in Utah spend approximately $1.1 billion per year through State Purchasing's cooperative contracts.

The General Services section of the Division operates three ISF programs (1) State Surplus Property, (2) State Mail and Distribution Services, and (3) State Print Services.

State Surplus Property Program — Used vehicles are sold to the public and other governmental entities through a variety of methods (online auction, direct sales, live auction, etc.) designed to ensure that the state receives the highest value for its used assets.

State Mail saves state agencies and political subdivisions over $2.4M annually through discount rates on processing, sorting and delivering mail. The rates charged by State Mail are lower than rates charged by the U.S. Postal Service and other private sector mail service companies for the same services.

State Print Services — The copier consulting program is a unique service program designed for walk-up or self-service copying environments. The program is administered internally by Print Services, and consists of right-sizing the purchase of copy machines for agencies, as well as overseeing maintenance, service, supplies, and billings.

Division Goals (2015)

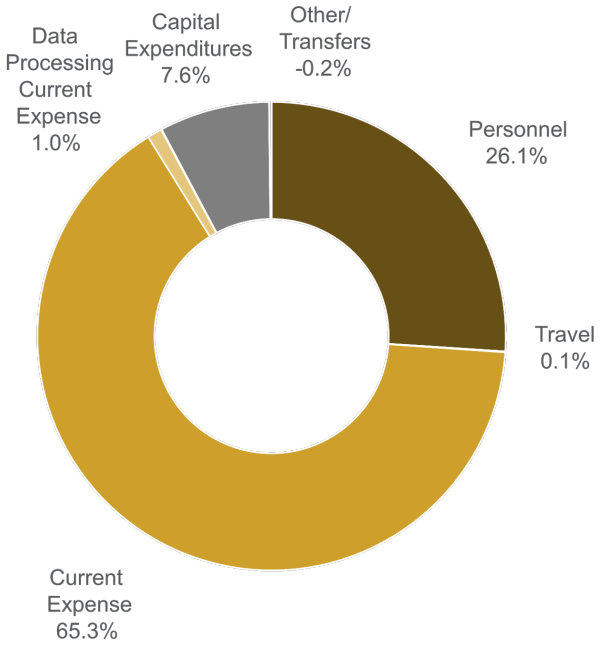
- Purchasing: Begin the process of replacing old procurement and contracting systems
- Purchasing: Write RFP/Bids for small state agencies and for a nominal fee, political subdivisions
- Surplus Property: In response to SB68 outsource non-vehicle state surplus property sales

## FY 2014 Division Highlights

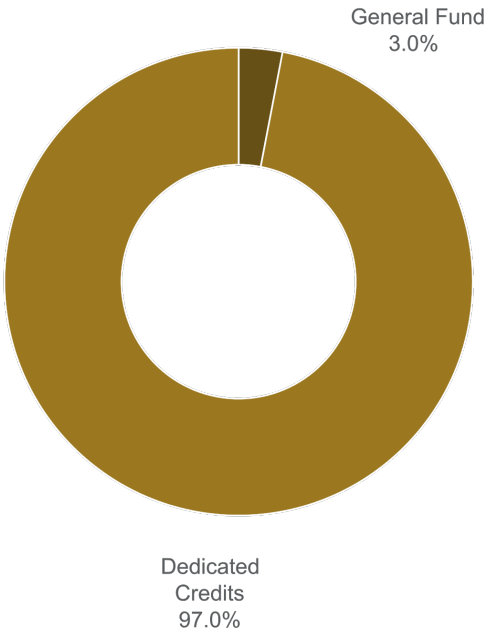
- Conducted over 1990 procurements on behalf of state agencies.
- Processed over 1280 contracts/amendments on behalf of state agencies.
- Administered more than 700 Statewide "Best Value" Cooperative Contracts used by state agencies and other political subdivisions of the state to purchase goods and services.
- Administers/leads 12 National Cooperative (WSCA-NASPO) Contract portfolios used by state agencies and other political subdivisions of the state to purchase goods and services.
- Received the "2014 Achievement of Excellence in Procurement" award from the National Purchasing Institute.
- Continues the monthly "Purchasing Training Program" for purchasing agents located throughout the State of Utah including political subdivisions. This training is well received.
- Held the first quarterly Utah Public Buyers Seminar in conjunction with the National Association of State Procurement Officials (NASPO)
- Continued to mentor state agencies through the procurement process through State Purchasing's Procurement Coordinator.
- Sponsored four of its agents in obtaining their Certified Professional Public Buyer (CPPB) certification. CPPB credentials are recognized throughout the public procurement profession and demonstrate an individual's comprehensive knowledge of public procurement.

# Fiscal Year Ending June 30, 2014 (Unaudited)

Purchasing Appropriated & ISFs Expenditures
$ 19,826,700




Purchasing Appropriated & ISFs Revenues
$ 20,458,300




# Services & Functions

Purchasing — As a centralized purchasing function for all state agencies, the division processes requests for goods and services, aids in writing of specifications, solicits and awards bids from suppliers, and manages state cooperative contracts.

General Services — provides the following essential services:

- State Mail & Distribution Services — A full service mail processing and distribution operation.
- Print Services — Manages a copier consulting program.
- Surplus Property — Provides for the sale and auction of used vehicles.

# FY 2014 Statewide Customer Service Summary

| Services Provided | Total |
|---|---|
| **State Purchasing** | |
| Use of statewide "Best Value" cooperative contracts | $ 1,678,826,000 |
| Savings from usage | $184,670,860 |
| **State Mail & Distribution Services** | |
| Use of State Mail/Pieces of mail processed | 25,236,017 |
| Savings from freight and postage discounts | $ 2,433,872 |

The division holds weekly training for Purchasing employees.

# Risk Management

5120 State Office Building
Salt Lake City, UT 84114
Phone: (801) 538-9560
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www.risk.utah.gov

## Executive Team

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- Stephen Hewlett, Assistant Director
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- Brian Nelson, Assistant Director, Loss Control Manager
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- Jeff Coates, Claims Manager
  jcoates@utah.gov (801) 538-9568
- Brian Spencer, Administrative Manager
  bspencer@utah.gov (801) 538-3212
- Bruce Garner, Assistant Attorney General
  brucegarner@utah.gov (801) 538-9579

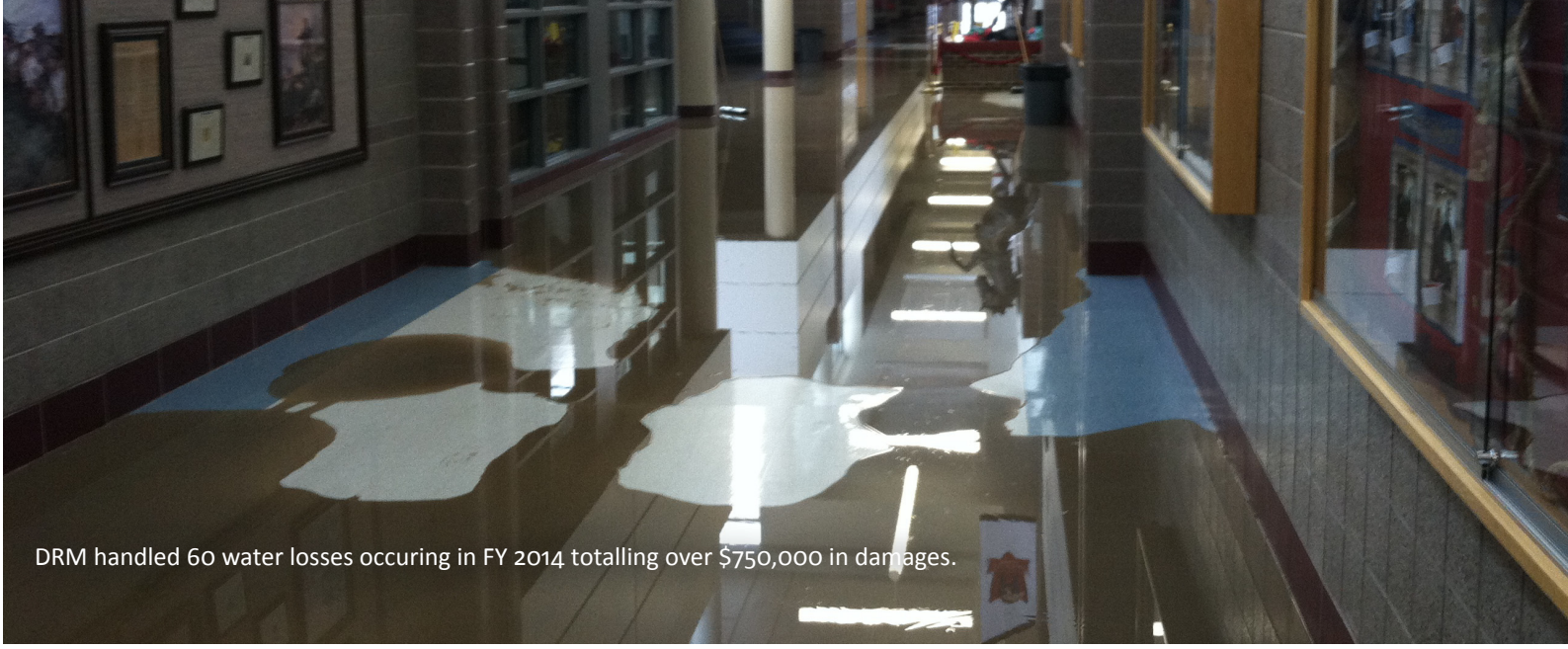
## Division Message

Tani Pack Downing, Director

The mission of the Division of Risk Management (DRM) is to protect State assets, to promote safety, and to control against property, liability, and auto losses. DRM insures almost $32 billion of property, including buildings and vehicles, and provides liability coverage for state agencies, higher education, school districts and charter schools and more than 120,000 employees. Significantly, school district and charter school participation is voluntary and all school districts in the State of Utah and 61 charter schools have elected to participate in the State Risk Fund. DRM protects these employees and assets by first attempting to prevent accidents and losses.

We employ a team of skilled loss control specialists who interact with our insureds on a daily basis to spot problems and correct them before they lead to a loss. Despite our best efforts, losses still occur, such as property losses to buildings and autos or potential liability losses where damage and injuries require investigation and resolution of claims by insureds and third parties. While we keep losses down and service high by having significant self-insured retentions, DRM insures against catastrophic losses by purchasing additional insurance from the private sector.

Back Row: Jeff Coates, Stephen Hewlett, Bruce Garner
Front Row: Brian Spencer, Tani Pack Downing, Brian Nelson



DRM handled 60 water losses occuring in FY 2014 totalling over $750,000 in damages.

DRM has endeavored to benchmark its services and rates against those of other similar entities in order to identify ways we can serve our customers more effectively, efficiently, and economically. At the same time, DRM has remained committed to maintaining adequate reserves to pay claims against the State and to protect State assets, promote safety, and prevent losses through proactive, collaborative loss control and claims management.

## FY 2014 Division Highlights

- Participated in an internal audit by Perlinski & Company that reviewed Risk's services and costs as compared to those of other governmental and private entities. Perlinski found that Risk's costs were cost competitive and "clearly the overall best value for insurance other than workers comp." On a per claim basis, Perlinski found that Risk is consistently lower than third party administrators (TPAs) they surveyed and Risk's loss prevention hourly costs are 30%-45% under market rates as provided by the TPAs. The report also stated that "Utah provides the most comprehensive entity coverage" of all other States which participated in the survey. Finally, the report indicated that Risk "staff demonstrate a high level of experience, professionalism, competence and commitment" to their goals and its customers.
- Received a 98% Superior Rating on a claims audit performed by an independent national consulting firm. The auditor praised the Division's ability to work well with the Attorney General's (AG) office attorneys and staff's ability to effectively coordinate internally between claims adjusters and loss prevention specialists.
- Created paperless files for auto property claims, thereby reducing printing costs, environmental impact and manual processing effort.
- Integrated the Risk building database and DFCM building database, cleaned up disparate data, and reduced the two building surveys to one, freeing up time for our insureds and ensuring more accurate data for both Risk and DFCM. This integration has now created one database as the source of truth regarding State-owned buildings.
- Worked with our insureds to get a more accurate building/content values for their properties in order to ensure that properties are not underinsured.

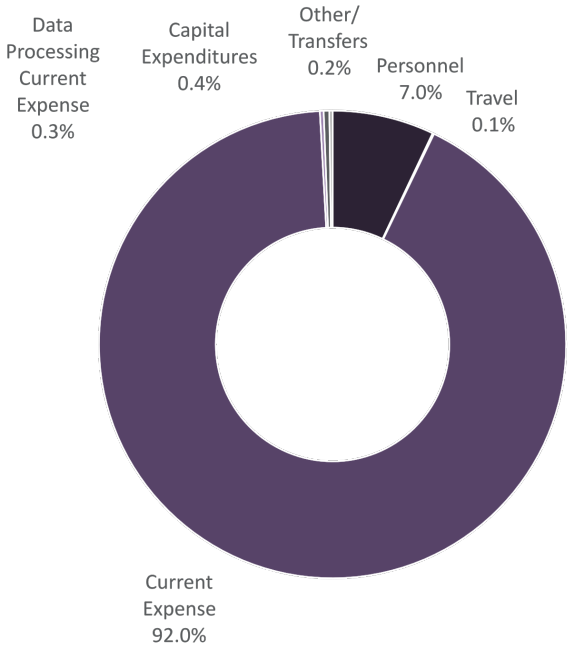
## Doing More with Less

As insured properties and values continue to increase, the Division of Risk Management continually looks for ways to improve both efficiencies in business processes and effectiveness in assisting our customers to protect the assets of the State. The workload has steadily increased over the last 12 years as the assets of the State have increased. DRM has embraced technological solutions to help fill the gap and has streamlined processes.

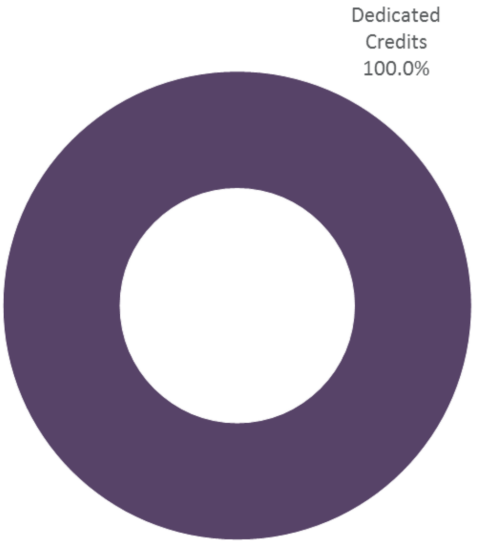
- 1120% increase in number of charter schools insured over 12 years
- 106.5% increase in insured property values over 12 years
- 5.14% increase in number of buildings insured for property coverage over 8 years
- 52.42% increase in number of vehicles insured over 12 years
- 57% increase in number of inspections over 7 years
- 43.4% increase in certificates of insurance requested over 7 years
- 34.5% decrease in Worker Compensation claims over 7 years

# Fiscal Year Ending June 30, 2014 (Unaudited)

Risk Management ISF Expenditures
$ 41,286,800




Risk Management ISF Revenues
$ 39,516,000



DRM insurance covers rope courses, climbing walls, ziplines, a motocross track, and outdoor recreation programs of our insureds.

## Services & Functions

Loss Control Services — The purpose of loss control is to prevent claims from occurring among our covered governmental entities. Our experienced loss control professionals provide:

- Building, fire and life safety inspections and recommendations
- Engineering consulting and inspection services
- Ergonomic and injury prevention evaluations and solutions
- Loss prevention inspections, consultations and training regarding physical hazards; workplace security; occupational, environmental, and life safety; workers compensation; and employment liability

Claims Services — The independent claims audit found that our experienced claim adjusters:

- Provide the citizens of Utah and participating agencies with quality claims handling
- Protect State resources by evaluating claims promptly and fairly
- Maintain the financial strength of claims reserves
- Promote a culture of accountability demonstrated by documented decision rationale in claims files
- Effectively communicate with the AG's office
- Promote quality controls by conducting random in-house audits of individual claims

## FY 2014 Statewide Customer Service Summary

| Services Provided | Total |
|---|---|
| **Claims** | |
| **Auto** | |
| Claims opened | 971 |
| Claims closed | 833 |
| Payments paid for prior year claims | $ 11,346 |
| Payments paid for current year claims | $ 1,355,386 |
| **Liability** | |
| Claims opened | 1,334 |
| Claims closed | 1,372 |
| Payments paid for prior year claims | $ 9,400,675 |
| Payments paid for current year claims | $ 1,973,289 |
| **Property** | |
| Claims opened | 265 |
| Claims closed | 301 |
| Payments paid for prior year claims | $ 2,106,891 |
| Payments paid for current year claims | $ 2,336,632 |
| **Prevention** | |
| Disability prevention evaluations | 539 |
| Consultations | 1,531 |
| Training sessions | 189 |
| Training participants | 4,081 |
| Online self-inspection surveys completed by entities | 87% |
| Site inspections | 645 |
| **Certificates of Insurance** | |
| FY 2014 certificates of insurance | 1,113 |

DRM insures 2,730 buses from all 41 school districts and charter schoools.

# Utah Navajo Royalties Holding Fund

151 East 500 North
Blanding, UT 84511
Phone: (800) 378-2050
Fax: (435) 678-1464
www.unrhf.utah.gov

## Program Team

- Tony Dayish, Administrator
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- Maury Bergman, Financial Manager
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- Dorothy Phillips, Education Specialist
  dphillips@utah.gov (435) 678-1460

## Program Message

Tony Dayish, Administrator

The Utah Navajo Royalties Holding Fund (UNRHF) is a temporary state agency administering the Utah Navajo Trust Fund in the interim while awaiting the United States Congress to formally designate another trustee for the Trust Fund. In 2008, the State of Utah decided to withdraw from being the trustee for the trust fund after filling this role for about 50 years. Proposed bills and strategies are still being debated by various groups. The 1933 Act and the 1968 Amendment regarding the Trust Fund must be amended to enable a new trustee to take over the Utah Navajo Trust Fund for the State of Utah. In the meantime, the UNRHF staff continues to provide services to Utah Navajo students with college financial aid and scholarships and to focus on completing housing projects that were funded prior to May of 2008 (which we call the Sunset grants).

Our FY 2014 goals included obtaining matching grants from the State of Utah-Navajo Revitalization Fund (NRF). Access to these additional resources provides the means to complete more housing projects and other community development projects. UNRHF received $1.1 million from NRF in FY 2013 and $1 million in FY 2014 for a total of $2.1 million. These amounts have greatly assisted UNRHF to make a lot of progress on the Sunset projects. At the end of FY 2014, the projects under the Sunset grants were about 91% completed and we are now beginning to start projects that were listed towards the end of the project list.

An important focus of the UNRHF is to complete housing projects that were part of the Sunset grants.

Building a Sunset grant home.

During the 2014 Legislative Session, a time extension was approved enabling the UNRHF to continue operating for another four years up to the end of FY 2018. The extension will provide more time for projects to be completed and for the college financial aid and scholarships to continue at the normal level. The college financial aid/scholarship program continues to provide good service to Utah Navajo students.

There was an attempt during the 2014 Legislative Session to reinstate the Utah Navajo Trust Fund (UNTF) operation that would have made UNTF funds available once again for housing projects and other community development projects but the bill was not approved and is currently in interim. Thus, this bill could be re-visited at another legislative session. The effort to reinstate the UNTF operation was made to make funds available for Utah Navajo projects, to supplement the ability of the UNRHF to complete the Sunset projects, and in response to a recent lawsuit that is requiring UNTF funds to be made available again.

In FY 2014, UNRHF enjoyed the services of the Financial Manager (Maury Bergman) who helped UNRHF make a lot of progress in getting the financial and accounting services back up to speed.

## FY 2014 Program Highlights

- The unaudited net assets at the end of FY 2014 was $62.2 million consisting of $51.7 million in the State Money Management Act Investments, $2.4 million in operating cash, $7.7 million in Capital Assets (Land, Buildings, Improvements, Equipment, & Vehicles), and $0.5 million in other assets.
- UNRHF received $500,000 from the Pelt lawsuit settlement in FY 2011, $2.5 million in FY 2012, $9.5 million in FY 2013, and $13.5 million in FY 2014. UNRHF has received a total of $26 million and the law firm for the Plaintiff received $7 million for the total judgment of $33 million.
- The Oil & Gas Royalties revenues amount in FY 2014 as reported by the U.S. Interior Department/Office of Natural Resources Revenue (ONRR) (formerly Minerals Management Service), the Bureau of Indian Affairs-Window Rock office, and the Navajo Nation/Minerals Department is $6.9 million.
- The number of Higher Education Financial Aid/ Scholarships grants to assist Utah Navajo students during FY 2014 was as follows:

| Grant Program | Students | Amount |
|---|---|---|
| UNRHF grants | 308 | $ 594,010.50 |
| Endowment grants | 27 | $ 63,125.00 |
| Short term | 10 | $ 23,333.00 |
| **Total grants** | **346** | **$ 680,468.50** |

Regular UNRHF grants are those that are funded from the UNRHF's program and where students can attend at any college. The Endowment grant is a program that UNTF contributed to in the past and continues to participate in. The funds from this program can only be used for students attending the Blanding campus of the Utah State University-Eastern.

This year, 124 students were assisted fall semester; this number is below the average number of students assisted over the prior three fall semesters (175 students).

- There are 580 NRF grants (and growing each year) that UNRHF is tracking and administering on behalf of NRF.
- There are 421 Sunset projects and 91% of these projects are completed.

## Services & Functions

Higher Education Scholarships & Financial Aid Program — The UNRHF assists eligible Utah Navajo students with postsecondary financial assistance/scholarships. The main factors in meeting the eligibility criteria are to meet the Residency definition and to be enrolled with the Navajo Nation as a tribal member. For younger students, the parents have to be a full-time resident living in San Juan County, Utah. Older students with a family must have lived in San Juan County, Utah for the past three years or have left San Juan County not more than three years ago. The students can attend any university, college, or technical/trade school of their choosing, including on-line courses or short-term training. Most of the Utah Navajo students attend universities in the states of Utah, Arizona, New Mexico and Nevada or attend Ft. Lewis College in Durango, Colorado. The Navajo Nation has an agreement in place making Utah Navajo students eligible for in-state tuition in Utah, Arizona, and New Mexico because of the Navajo population in these three states. UNRHF can also fund high school students under the concurrent enrollment program, where they can continue to attend high school and some college classes at the same time.

Utah State University Eastern: San Juan

UNTF Sunset Projects — The UNTF Dineh Committee and the Board of Trustees approved 421 projects before being dissolved in May 2008. These projects were authorized by the state legislature to be completed. The UNRHF has been working with the Utah Navajo Chapters, clients, and vendors to try to get these projects completed. UNRHF is at 91% complete status at the end of the FY 2014.

Navajo Revitalization Fund (NRF) — NRF is a state agency and a sister organization to UNRHF. In addition to the Sunset budget, UNRHF also monitors and administers NRF grants, which currently total 552 grants. Almost every Sunset grant has a matching grant from NRF. UNRHF is located closer to the projects than the NRF in Salt Lake City and UNRHF knows the processes of building projects on the Navajo Reservation; therefore NRF has requested UNRHF to continue to assist with the NRF-funded projects.

Matching Funding — UNRHF has run into the problem of insufficient funding on the Sunset and NRF projects. UNRHF coordinates with the Utah Navajo Chapters to have NRF funding made available to finish projects. Sometimes NRF funding is not available, so UNRHF will apply for funding sources other than NRF to complete projects, such the State of Utah Housing Division's Olene Walker Housing Trust Fund, NAHASDA (Indian HUD), the Navajo Nation's Capital Improvement Office, USDA Rural Development, the Daniels Fund, etc. While most of the matching funding has come from NRF, UNRHF has been successful in obtaining grants from outside resources to complete projects.

Fiscal Agent Services — The Navajo Utah Commission (NUC) is a Navajo Nation agency that applies to outside funding sources as well. When a funding award is made, NUC will often request the UNRHF to be their fiscal agent and administer the grant for them, especially if the funding source is from one of the State of Utah agencies.

## Editor:

McKenzie Ashman — Research Analyst, Department of Administrative Service

# 2014 Annual Report