



DAS | Utah Department of
Administrative Services

Internal Service Fund Rate Committee Information Packet

August 28, 2018
Rates for Fiscal Year 2020

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Rate Committee Members and Customers,

The mission of the Department of Administrative Services is to deliver support services of the highest quality and best value to government agencies and the public. Our vision is to be the preferred and most trusted provider of products, services, and innovative solutions to meet customer needs. While the department's internal service fund divisions provide hundreds of services that are funded through rates, DAS is proposing changes to rates associated with three divisions for FY 2020:

- Risk Management proposes some significant changes in five of its programs: a Liability rate increase to address actuarial loss projections and deficit recapture; a Property rate increase; an Automobile Property Damage rate increase that reflects a direct charge to agencies in place of the current pass-through that was charged by Fleet Operations; a reduction in the Workers Compensation rates; and an increase in the Learning Management System enterprise (overhead) rate to include 50 hours of consultation.
- Facilities Construction and Management proposes rate changes for seven of over 200 programs, six new programs or scope changes, and adjustments to the garage (hourly) rates.
- Fleet Operations proposes that the motor pool rate reduction approved by the Legislature for FY 2019 be applied to all existing vehicles, not just those vehicles purchased after July 1, 2018. This reduction accounts also for the removal of insurance that will no longer be paid by Fleet, but billed directly by Risk Management as part of its automobile insurance rate.

No rate changes are proposed for the Division of Finance or the Division of Purchasing and General Services.

Statute provides that a division of the department that operates as an internal service fund must submit a rate and fee schedule annually to a rate committee comprised of executive directors, commissioners, or superintendents of state agencies that use services and pay rates to the department. The rate committee recommends proposed rate and fee schedule changes to the Governor's Office and the Legislature.

The intention of this packet is to inform both the rate committee members and agency customers as to rate changes proposed by the department prior to rate committee meetings. Should you have any questions or concerns, please feel free to contact us.

Respectfully,



Tani Pack Downing
Executive Director
Utah Department of Administrative Services



Ken Hansen
Deputy Executive Director
Utah Department of Administrative Services

FY2020 Rate Impact Summary

DAS FY2020 Rate Impacts

8/22/2018

DAS is requesting changes for those ISF programs that appear below. The rates for other ISF programs are not changing.

Agency/Customer	DFCM	Fleet	Risk Management				Workers Comp	Grand Total
	Op. & Maint.	Motor Pool Lease	Auto	LMS	Liability	Property		
011 Senate					0		(1,600)	(1,600)
012 House of Representatives					800		(2,900)	(2,100)
013 Legislative Printing					0		(300)	(300)
014 Legislative Research & General Counsel					4,600		(7,700)	(3,100)
015 Legislative Fiscal Analyst					(1,200)		(2,600)	(3,800)
016 Legislative Auditor General					1,300		(3,200)	(1,900)
020 Judicial Branch	110,000	(15,152)	28,200		35,800	300	(79,600)	79,548
030 Capitol Preservation Board			0		1,300	800	(600)	1,500
050 State Treasurer		(279)			800	0	(1,900)	(1,379)
060 Governor's Office		(2,553)	3,300		39,200	(100)	(10,300)	29,547
061 Governor's Office of Energy		(148)					(1,200)	(1,348)
063 Governor's Office of Economic Development		(1,174)					(7,200)	(8,374)
065 Utah Science Technology & Research Initiative			200		(100)	0	(2,100)	(2,000)
080 Attorney General		(6,866)	8,200		64,400	0	(44,400)	21,334
090 Utah State Auditor		(143)	400		3,600		(4,000)	(143)
100 Dept of Administrative Services		(20,455)	(782,800)	5,535	54,200	36,800	(30,300)	(737,020)
110 Dept of Technology Services		(3,072)	4,100	3,778	23,300	300	(65,300)	(36,894)
120 Tax Commission		(10,965)	10,100		20,700	0	(37,600)	(17,765)
130 Career Service Review Office							(200)	(200)
140 Dept of Human Resource Management				9,250	2,800		(9,000)	3,050
170 Navajo Trust Administration		(627)			5,300	(100)	(800)	3,773
180 Dept of Public Safety	20,500	(230,542)	219,300	6,692	317,700	1,600	(81,200)	254,050
190 Utah National Guard		(4,815)	7,500		16,500	6,300	(15,700)	9,785
200 Dept of Human Services		(73,749)	79,600	3,970	(17,700)	5,400	(200,100)	(202,579)
270 Dept of Health		(5,143)	13,400	3,810	28,601	200	(68,700)	(27,832)
300 Building Board Construction							(100)	(100)
400 Utah State Board of Education		(12,336)	4,900		44,800	200	(45,000)	(7,436)
410 Dept of Corrections		(102,577)	83,300		75,000	(9,800)	(155,000)	(109,077)
430 Board of Pardons & Parole		(1,567)	1,200		2,700		(3,000)	(667)
450 Dept of Veterans' & Military Affairs	20,000	(5,528)	2,500		(32,800)	0	(2,100)	(17,928)
480 Dept of Environmental Quality		(3,544)	4,200		43,700	200	(29,100)	15,456
510 State Board of Regents					17,800	1,600		19,400
540 School & Institutional Trust Fund Office					200		(500)	(300)
550 School & Institutional Trust Lands Admin	6,600	(3,591)	3,300		3,000		(6,300)	3,009
560 Dept of Natural Resources	19,500	(145,240)	163,200		89,400	24,500	(79,500)	71,860
570 Dept of Agriculture & Food	3,900	(22,001)	24,300		28,800	100	(14,600)	20,499
590 Public Lands Policy Coordination Office		(1,053)			3,400		(1,300)	1,047
600 Dept of Workforce Services		(13,785)	23,400	(3,357)	(10,400)	100	(119,700)	(123,742)
650 Dept of Alcoholic Beverage Control	120,000	(1,973)	1,900		11,000	200	(15,500)	115,627
660 Labor Commission		(4,589)	7,400		3,600		(7,800)	(1,389)
670 Dept of Commerce		(2,340)	5,100		800		(16,500)	(12,940)
680 Dept of Financial Institutions					0		(4,500)	(4,500)
690 Dept of Insurance		(2,353)	1,900		7,300		(6,600)	247
700 Public Service Commission					800		(1,700)	(900)
710 Dept of Heritage & Arts		(5,494)	9,300		5,300	4,800	(7,900)	6,006
810 Dept of Transportation	4,500	(83,845)	178,200	572	936,600	(28,200)		1,007,827
Higher Education		(20,401)	24,300		1,652,400	969,000		2,625,299
Non-State Agency			(700)		17,500	2,400		19,200
School Districts			92,400		3,392,300	(55,200)		3,429,500
Grand Total	305,000	(807,900)	221,600	30,250	6,895,101	961,400	(1,195,200)	6,410,251

Agendas



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Department of Administrative Services

TANI PACK DOWNING
Executive Director

KENNETH A. HANSEN
Deputy Executive Director

MARILEE P. RICHINS
Deputy Executive Director

Agenda

DAS FY2020 Internal Service Fund Rate Review Committee Meeting

DATE: Wednesday, September 12, 2018
TIME: 9:00 a.m.
PLACE: State Capitol Building, Room #445

I. Committee Business:

- a. Welcome – Ken Hansen, Deputy Executive Director, Department of Administrative Services (DAS)
- b. Selection of a Committee Chairperson
- c. Open and Public Meetings Act Training – Paul Tonks, Attorney General's Office
- d. Approval of minutes of September 11, 2017
- e. Overview of Rate Committee Responsibilities – Ken Hansen, Deputy Executive Director, DAS

II. Presentation by DAS Internal Service Funds

- a. **Risk Management** – Ken Hansen, DAS Deputy Executive Director and Brian Nelson, Division Director
 - Liability Insurance program
 - Property Insurance program
 - Auto Insurance program
 - Workers Compensation program
 - Learning Management System (LMS)
 1. Presentation
 2. Discussion
 - a. Committee
 - b. Public
 3. Action Items – Vote on FY2020 Rates and Rate Changes
- b. **Finance** – Ken Hansen, DAS Deputy Executive Director and John Reidhead, Division Director
 - Purchasing Card program
 1. Presentation
 2. Discussion
 - a. Committee
 - b. Public
 3. Action Items – Vote on FY2020 Rates

- c. **Facilities Construction and Management** – Ken Hansen, DAS Deputy Executive Director and Jim Russell, Division Director
 - Facilities Maintenance
 - 1. Presentation
 - 2. Discussion
 - a. Committee
 - b. Public
 - 3. Action Items – Vote on FY2020 Rates and Rate Changes

- d. **Fleet Operations** – Ken Hansen, DAS Deputy Executive Director and Jeff Mottishaw, Division Director
 - Motor Pool program
 - Fuel Network program
 - State Travel Office program
 - Transactions team
 - 1. Presentation
 - 2. Discussion
 - a. Committee
 - b. Public
 - 3. Action Items – Vote on FY2020 Rates and Rate Changes

- e. **Purchasing and General Services** - Ken Hansen, DAS Deputy Executive Director and Christopher Hughes, Division Director
 - Cooperative Contracts program
 - State and Federal Surplus Property programs
 - Print Services program
 - State Mail and Distribution Services program
 - 1. Presentation
 - 2. Discussion
 - a. Committee
 - b. Public
 - 3. Action Items – Vote on FY2020 Rates

Subsequent Meetings (if necessary)

Wednesday, September 19, State Capitol Room #445, 9:00 a.m.

Wednesday, September 26, State Capitol Room #445, 1:00 p.m.

COMMITTEE MEMBERS

Todd Kiser, Commissioner, Dept of Insurance

Jaceson Maughan, Commissioner, Labor Commission

Mark Brasher, Deputy Director, Department of Human Services

Natalie Grange, Associate Superintendent, Utah State Board of Education

Becky Bradshaw, Comptroller, Department of Transportation

Joseph Brown, Division Director, Department of Public Safety

Richie Wilcox, Budget and Financial Operations Specialist, Governor's Office of Management and Budget



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DAS FY2020 Internal Service Fund Rate Review Committee Meeting #2 (If Needed)

DATE: Wednesday, September 19, 2018
TIME: 9:00 a.m.
PLACE: State Capitol Building, Room #445

I. Committee Business:

- a. Welcome – Chairperson
- b. Approval of minutes of September 12, 2018

II. Follow up Presentations by DAS Internal Service Funds

- a. Purchasing and General Services, Finance, Facilities Construction & Management, Risk Management, and Fleet Operations – John Reidhead, Division of Finance Director and Division Directors
 1. Follow up presentation
 2. Discussion
 - a. Committee
 - b. Public
 3. Action Items – Vote on FY2020 Rates and Rate Changes

Subsequent Meetings (if necessary)

Wednesday, September 26, State Capitol Room #445, 9:00 a.m.

COMMITTEE MEMBERS

Todd Kiser, Commissioner, Dept. of Insurance
Jaceson Maughan, Commissioner, Labor Commission
Mark Brasher, Deputy Director, Department of Human Services
Natalie Grange, Associate Superintendent, Utah State Board of Education
Becky Bradshaw, Comptroller, Department of Transportation
Joseph Brown, Division Director, Department of Public Safety
Richie Wilcox, Budget and Financial Operations Specialist, Governor's Office of Management and Budget



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Agenda

DAS FY2020 Internal Service Fund Rate Review Committee Meeting #3 (If Needed)

DATE: Wednesday, September 26, 2018
TIME: 9:00 a.m.
PLACE: State Capitol Building, Room #445

- I. Committee Business:**
 - a. Welcome – Chairperson
 - b. Approval of minutes of September 19, 2018
- II. Follow up Presentations by DAS Internal Service Funds**
 - a. Purchasing and General Services, Finance, Facilities Construction & Management, Risk Management, and Fleet Operations - Ken Hansen, DAS Deputy Executive Director and Division Directors
 1. Follow up presentation
 2. Discussion
 - a. Committee
 - b. Public
 3. Action Items – Vote on FY2020 Rates and Rate Changes

COMMITTEE MEMBERS

Todd Kiser, Commissioner, Dept. of Insurance
Jaceson Maughan, Commissioner, Labor Commission
Mark Brasher, Deputy Director, Department of Human Services
Natalie Grange, Associate Superintendent, Utah State Board of Education
Becky Bradshaw, Comptroller, Department of Transportation
Joseph Brown, Division Director, Department of Public Safety
Richie Wilcox, Budget and Financial Operations Specialist, Governor's Office of Management and Budget

2019 ISF Rate Committee Meeting Minutes

For the meeting held Monday, September 11, 2017

(Draft waiting formal approval)

Department of Administrative Services FY'19 Internal Service Fund Rate Review Committee Meeting

September 11, 2017

1:00 p.m.

State Capitol Building, Room 445
350 North State Street, Salt Lake City, UT 84114

Committee Members:

Barry Conover – Committee Chair, Executive Director, Tax Commission
LuAnn Adams – Executive Director, Commissioner of Agriculture & Food (absent)
Becky Bradshaw – Comptroller, Department of Transportation
Mark Brasher – Deputy Director, Department of Human Services
Joseph Brown – Division Director, Department of Public Safety
Matthew Lund – Budget and Policy Economist, Governor's Office of Management and Budget (absent)
Sal Petilos – Executive Director, Department of Alcoholic Beverage Control

***Note: An audio recording of the meeting can be found on the Public Notice Website -- <https://utah.gov/pmn/sitemap/notice/414535.html>. Handouts or power point presentation, are also attached to the meeting on the website. Referred times on the recorders are approximate.**

I. Committee Business:

- a. Welcome- Barry Conover, Committee Chair

Mr. Conover welcomed the committee members and audience to the September 11, 2017, Department of Administrative Services FY'19 Internal Service Fund Rate Review Committee Meeting, and excused Commissioner LuAnn Adams.

- b. Open and Public Meetings Act Training – Paul Tonks, Attorney General's Office

Mr. Paul Tonks from the Attorney General's Office presented the Open and Public Meetings Act Training that is required annually. Refer to 1:34 on recorder (2). The power point document is also attached to the meeting on the Public Notice Website.

- c. Approval of minutes from the September 13, 2016 meeting

Mr. Conover asked for a motion accepting the minutes from the meeting held on September 13, 2016.

Mr. Sal Petilos made a motion to approve the minutes, Mr. Joseph Brown seconded the motion. A vote was taken and the motion passed unanimously.

- d. Overview of Rate committee Responsibilities – Ken Hansen, Deputy Executive Director, DAS

Mr. Ken Hansen, the Deputy Executive Director for the Department of Administrative Services reviewed the responsibilities of the DAS Rate Committee and provided an overview of Administrative Services. Refer to 9:30 on recorder (2).

The Department of Administrative Services has a broad range of responsibilities. The internal service funds -- Fleet Operations, Facilities & Construction Management, Purchasing and General Services, Risk Management, and the Division of Finance -- are the programs that will be discussed.

II. Presentation by DAS Internal Service Funds

- a. **Fleet Operations** – Jeff Mottishaw, Director of Fleet Operations presented the rates for Fleet Operations. Please refer to 12:00 on recorder (2).

Fleet Operations is made up of three programs: Motor Pool, Fuel Network, and State Travel.

Motor Pool Program

There are 7,804 vehicles in the State Fleet. Over 4,600 of those vehicles are owned and maintained by Fleet Operations. There are over 450 maintenance private sector vendors. Fleet has partnered with Enterprise for an on-demand motor pool program. Fleet also has a telematics pilot program.

Mr. Mottishaw discussed the debt that Fleet owes to the General Fund. In 2014 there was a debt of over \$41 million. The three main factors that contributed to the debt were maintenance of the vehicles, fuel, and the acquisition of vehicles.

Fleet is taking steps to reduce this debt to the general fund. Fuel went to a pass through rate for fuel, and fuel is no longer subsidized for the agencies. Coordination of maintenance has gone from being outsourced to being done in-house.

The lease rate is no longer per class of vehicle, but agencies are charged for the vehicles they have. Fleet recommended dropping the alternative vehicle fee. That went into effect July 1, 2017.

Please refer to 18:00 on the recorder (2).

Fleet Operations recommends changes to align the lease rate formula to where it should be. Fleet recommends dropping "2013" from the rate formula, and replacing the 17%, 18%, or 21 % salvage value with a 25% salvage value. Fleet also recommends reducing the Admin fee from \$48.57 to \$42.00, and increasing the Management Information Systems fee from \$2.72 to \$3.00.

Mr. Petillos asked about the life cycle of the vehicles. Mr. Mottishaw said the average life cycle of the vehicles is between 6 and 7 years, with some vehicles as old as 12 years.

Mr. Petillos expressed concern about asking for a higher salvage value than has been asked for previously, and that the spread in the lifecycles of the vehicles where the salvage rate might be less than the 25%. He asked why the salvage was anchored at the model year. Mr. Mottishaw is not sure about the year. Inflation is a factor in recovering the vehicles. He hopes in the future to get to a shorter lifecycle of the vehicles, and reduce the costs.

Fleet is not purchasing CNG vehicles for the state, because they are no longer being manufactured.

Mr. Mottishaw reviewed the retained earnings, true savings and deferred costs. Refer to 24:00 on recorder (2). Motor Pool's net income has been positive since FY2014. This is because of cost-saving measures in maintenance and fuel, as well as deferring vehicle replacement expenses. Because Motor Pool has had a positive net income, its debt to the General Fund has decreased. Motor Pool will be rebating some of the retained earnings to the federal government. The remaining retained earnings will not be subjected to the rebates to the federal government.

Mr. Petillos asked about reducing the rates to reduce the retained earnings. Mr. Mottishaw said they want to reduce costs in the maintenance area and the fuel area. Fleet has been able to lower the cost of maintenance to around \$0.07 per mile. Fleet is working to get the retained earnings to level off and not accumulate more. Going forward Fleet's plan is to reduce costs with telematics and shorter vehicle life cycles.

Mr. Brown asked about the motor pool monthly lease rate, and what happens when they delay the replacement of the vehicle beyond the replacement date. Refer to 33:18 on recorder (2). Is the monthly lease rate charged at that time, when it is past the replacement cycle, and did this help to bring down the amount owed to the general fund? Mr. Mottishaw explained that there is a reduced lease rate after the replacement cycle has passed, but these lease rates that were collected were not a significant amount. Mr. Mottishaw reviewed the deferred costs and explained the replacement cycle.

Mr. Mottishaw stated that as the life cycles of vehicles are shortened, Fleet has moved the mileage back to 105,000 miles for gas vehicle lifecycles, and higher for diesel. Fleet is working with agencies to trying to remove vehicles they don't need.

Fleet Operation's recommends removing the 2013 from the model contract year, to have the opportunity to set the salvage value at the appropriate rate, starting at 25%. Fleet also recommends reducing the admin fee from \$48.57 to \$42.00, and increasing the management information system rate from \$2.72 to \$3.00. The total impact is a rate decrease to their customers of over \$87,000.

Fuel Network program

Refer to 43:00 on recorder (2).

There are 36,000 vehicles that participate in the fuel network. Approximately 19.0 million gallons of fuel were dispensed. There are 450 tanks state-wide, 130 are state-owned sites, that have fuel card readers, and six Compressed Natural Gas (CNG) fuel sites.

Mr. Mottishaw reviewed the retained earnings. They recommend taking the high volume sites from \$0.065 to \$0.075. With that increase the Fuel Network will be able to update the card readers at the state-owned sites. The impact of this rate increase is about \$55,000.

State Travel Office program.

Car rentals are up some, hotel reservations and airline tickets are where they were estimated to be. The retained earnings were up in FY 2017 because they moved to a new travel card with a better rebate, and it was the last year of the higher administrative fee on the rental car contract. The retained earnings will be at the acceptable level in FY 2019. There are no proposed rate changes recommended for State Travel.

Mr. Mottishaw asked the committee to take action on the lease rate modifications as discussed, reduce the administrative fee, increase to the management information fee, increase the high volume per gallon at the state-owned sites, and approve all other existing rates as presented.

There were no comments from the audience.

Mr. Brown made a motion to approve Fleet Operations rates as presented. Ms. Becky Bradshaw seconded the motion. A vote was taken and passed unanimously.

- b. **Facilities Construction and Management** –Jim Russell, Division Director, and Jake Jacobsen, Facilities Operations Manager, presented. Refer to 51:00 on recorder (1).

The Division of Facilities Construction and Management (DFCM) provides building management service to state agency subscribers. Service includes preventative and corrective maintenance, grounds care, energy management, contract management and accounting services.

DFCM is authorized for 150 full-time employees. It currently has 132 full-time employees. It provides maintenance and management services to approximately 214 state-owned and leased buildings. Its adjusted revenue for FY 2018, is \$31 million. DFCM manages over 7.3 million square feet of facilities state-wide.

DFCM is focused on efficient building operation. Its average operation and maintenance cost is 40% lower than the local private sector market, and 47% the below national average. It provides service state-wide, by having eight separate management groups throughout the state, and four grounds groups. Its portfolio includes office spaces, courthouses, laboratories, retail space, warehouse space, veterans assisted living, and others. DFCM uses internal staff and external contracts to provide the services.

Mr. Brown asked about the 18 FTE position not filled and how it affects their budget, and how long it takes to fill the vacant positions. Mr. Russell said they have a high turnover rate. With the employment opportunities in the private sector, it is hard to keep staff. It is not a budget decision, it is not being able to fill the positions and keep up with the turnover in the positions. There are some extra positions based on some programs. DFCM keeps the vacancies in case there are other programs that come online. Some positions take six months to fill, but most positions are usually filled within a month or so.

Mr. Russell explained the Cost per Square Foot graph. Refer to 55:29 on recorder (1). DFCM's actual costs per square foot for FY 2017 was \$4.27, and DFCM projects for FY 2019, a cost of \$4.84 per square foot. DFCM can keep its costs low because of the different complex groups that act as independent entities, and share their services across multiple buildings.

As indicated on slide 31, DFCM projects adjustments to rates for nine programs with a net impact increase of \$226,211. The projected increase will cover personnel cost increases, changes in programs, and the addition of some buildings, with overhead costs.

Mr. Russell said DFCM is working on a plan to increase wages for its facility employees, and that will help with hiring and maintaining staff.

Mr. Conover discussed the troubles the Tax Commission has had with custodial service. Mr. Russell said that DFCM would look into statute to see if it could do a value based selection for those services.

Mr. Kent Beers, Director of State Purchasing and General Services said he is a member of the Purchasing from People with Disabilities Advisory Board, and the janitorial services mentioned are not a reflection on DFCM. DFCM is required by statute whenever a community rehabilitation program comes forward and wants to provide a service. That service then claims the contract and it is taken from the DFCM program. This program is mandated by the Legislature. Mr. Beers will take this information back to the board, and explain that Tax Commission is not happy with their janitorial service. Purchasing will work with Utah Works who oversees the program.

Mr. Russell reviewed the Facilities Management Retained Earnings. Refer to 1:02:38 on recorder (1). The projected FY 2019 retained earnings will be around \$3.2 million, about half of the allowable federal 60 day retained earnings cap. DFCM is at 27 days of retained earnings for the projected days for the rate increases for FY 2019.

The Division of Facilities and Management is requesting rate adjustments for nine programs. Refer to 1:03:00 on recorder (1). Mr. Russell reviewed the list of DFCM rate recommendations, including scope changes, and addressed questions from the committee.

Overall DFCM is proposing a \$226,000 increase in rate adjustments for nine programs, and nine new scope changes, and approval of the labor rates.

There were no other questions. Mr. Conover asked for a motion to approve the Division of Facilities Construction and Management Rates.

Mr. Petillos moved to approve DFCM rates. Mr. Brown seconded the motion. A vote was taken, the motion passed unanimously.

- c. **Purchasing and General Services**, Kent Beers, Division Director presented. Refer to 1:13 on recorder (1).

Cooperative Contracts

Purchasing and General Service's Internal Service Fund is comprised of a Cooperative Contract Program. State Purchasing has approximately 850 state cooperative contracts. The contracts can be used by public entities and non-profit organizations in the state. The contract usage last year was \$1.7 billion from all public entities.

Cooperative contracts fee are 100% paid by vendors. They are not paid by state agencies or any public entity. The maximum rate is up to 1% on the cooperative contracts. The current average

rate is 0.39%. Eighty-five of State Purchasing's contracts are through a national purchasing cooperative called NASPO ValuePoint, It brings together the buying power of all 50 states. The State is able to get the best pricing available through NASPO ValuePoint. A 2014 legislative audit found that State Purchasing saves money by using NASPO ValuePoint.

There is a high retained earning balance for cooperative contracts. As the cooperative contract program has grown, there are more state agencies and public entities that rely on State Purchasing for their sole contracting method. The high retained earnings helps State Purchasing safeguard against an economic downturn. Purchasing must be able to provide this service to all public entities, not just state agencies. Purchasing continues to lower fee rates on contracts as they are renewed. Most contracts are issued for five years, so it is a slow process to lower the retained earnings.

State Purchasing is not recommending a rate change for Cooperative Contracts.

State and Federal Surplus Property refer to 1:20 on recorder (1)

These are two separate programs. The federal surplus property program has saved Utah Law Enforcement agencies approximately \$5.4 million over the life of the 1033 program. Utah governmental agencies have saved approximately \$2.8 million through the Federal Donation Program. Outside vendors are averaging 89% using NADA as a baseline for the vehicles sold, and State Surplus is averaging 109% on the vehicles it sales.

The retained earnings balance for State Surplus Property is around \$200,000. It is a little high on the retained earnings balance. That could change any year with a downturn of items that are being sent to State Surplus. The Federal Surplus retained earnings is hard to predict because it is dependent on the federal program. It is projecting to be close to the 60 day operating capital. For this program the Federal limit is 360 days.

Print Services refer to 1:25 on recorder (2)

Print Services is divided into two programs, the Digital Print Services and the State Copy Center.

Digital Print Services is the Copier Lease Program. There are 895 copiers that state agencies lease for 48 months. The copiers are paid for by the impressions. The impressions are the lease rate.

The State Copy Center is outsourced by contract with Xerox a private vendor. There is a 100% accuracy with all the state copy jobs, and with the delivery of these jobs. The contractor has seen the number of copy impression go down and while scanned copies have increased.

Print Services has a retained earnings balance and a small negative revenue balance for FY 2017. Copy machines used to only be used to make copies. The lease payment was based on the amount of copies made. Now, copy machines are used for scanning documents. State Purchasing has not adjusted the lease rate to address this change in usage. Terri O'Toole is the manager of the State Copy Center. She is working to update the program. Most likely next year Purchasing will recommend a change in the rates to include copy impressions and scanning impressions, or a flat rate. Then the rates will be adjusted accordingly.

There are no rate change recommendations for Print Services.

State Mail and Distribution Services refer to 1:28 on recorder (1)

Every year the volume of mail declines. Over time State Mail will be dissolved. Right now there is still a need for State Mail.

Last year an internal audit recommended changes to state mail delivery services. State Mail has gone from 16 routes to 10 routes, and six vans have been returned to the motor pool. Changes have saved \$350,000 in expense.

Mr. Andy Wright, Manager, State Mail, addressed the committee about the rate increases being recommended for State Mail. These include a \$0.003 rate increase for Auto Fold, an increase of \$0.004 to Meter/Seal, an increase for OCR (sorting) of \$0.004, and an increase of \$0.003 for Inserting. These increases will help with the loss from the agencies who decided not to use the tabbing task that was increased last year. These are small rate changes, but will bring in an additional \$215,000 in revenue to State Mail Services.

There was a discussion on the rate impact of the increases for each of these services.

There were no other comments from the committee, or from the public.

Ms. Bradshaw moved to approve the rates for Purchasing and General Services, and Mr. Mark Brasher seconded the motion. A vote was taken and passed unanimously.

Mr. Hansen requested an opportunity to review an issue in the DFCM presentation. Mr. Russell made a correction to the DFCM rates. Refer to 1:39 on recorder (1). There is an increase in the garage rates for FY 2019. The years were mixed up. FY 2018 was listed as FY 2019, and FY 2019 was listed as FY 2018. There will be an increase of varying amounts for FY 2019.

Mr. Petilos made a motion to approve the rates of DFCM as amended. Mr. Brasher seconded the motion. The motion passed unanimously.

- d. **Risk Management**, Brian Nelson, Division Director, and Darin Dennis, Assistant Director presented: Refer to 1:40 on recorder (1).

Liability Insurance program

The Risk pool was created because it was difficult to get liability coverage for public entities. The coverage Risk Management provides allows broader coverage for less money than entities can obtain from the private sector.

The rates can increase due to an increase in claims cost. There are only two carriers that carry public sector liability insurance.

Risk Management covers the higher education institutions, state agencies, charter schools and public education. When the cost of claims exceeds the cost, then there is a loss that takes place that affects the bottom line.

Mr. Nelson highlighted a significant concern that merits the committee's attention. Over the last five fiscal years, the loss experience of the school districts has increased dramatically. The graphs in the presentation were provided by the actuary. They look at claims history and other data to normalize and then projects premiums for the future. The losses have far exceeded what was charged in premium. The difference over five fiscal years is about \$7 million.

There are a number of causes. There have been a number of claims involving buses, wrongful deaths, serious catastrophic injuries, and a number of high cost employment claims.

Risk Management has been meeting with school superintendents, business administrators, and human resource directors to address the issues.

It is projected that liability premiums will increase by \$1.6 million in FY 2019. That will be allocated by actual loss experience.

Option 1: This is the projection they hope to accomplish and recommend, is to have authorization to transfer a portion of the retained earnings in the workers compensation fund and to offset the liability fund losses. Risk Management recommends transferring \$2.4 million from Workers Compensation retained earnings. They feel that this is the best proposal, by shifting of funds. That would be a 9.7% increase in liability premiums.

Mr. Petilos asked if the state code allow them to shift funds from workers comp.

Such a transfer requires legislative authorization. DAS plans to request this funds transfer through the Governor's FY 2019 budget process. The balance in the Workers Compensation Fund are funds that are paid from the payroll of state employees.

Mr. Petilos asked if asking for funds in Option 1 is premature until authorization is received to allow the transfer of funds. The committee cannot take action on Option 1, unless it is approved through the Legislature. The committee would be assuming authority that it does not have.

Mr. Nelson said they are trying to mitigate the reality of going to Option 2 if there is a way to move the funds. It is contingent upon the approval.

Mr. Conover said that the less complicated proposal is Option 2. He feels the committee would look at Option 2 over Option 1, because of the contingencies in Option 1, that they do not have the answers for. Option 2 would have those that are the most impacted pay the rate.

Mr. Nelson proposed that the committee approve both options with the understanding that Option 1 is contingent on legislative action.

Mr. Brown asked if the committee approved Option 2, and the Legislature approves Option 1, can the lesser rate then be charged.

Mr. Nelson said he understands that Risk Management can charge less than rates the Legislature approves.

Refer to 1:54 on recorder (1).

Option 2: To be actuarially sound, Risk Management would need to charge an additional \$4 million, as an increase over last fiscal year, the total premium for FY 2019 would be \$9.8 million. That would be an increase of 75% for the school districts. The Department of Transportation is looked at separately by the actuary, and would experience a 2.7% decrease, Higher Education would experience a 17.1% increase under Option 2. All other state agencies would see a negative 2.5% rate change.

Mr. Brown asked if option 1 is a short term fix. Mr. Nelson responded that it is a one year fix. It is an attempt to mitigate option 2 so there is not such a harsh increase in premiums. The information has been provided to the Governor's Office.

Mr. Hansen said that the Governor's Office of Management and Budget expressed reservations about option 1. In the initial response from the Governor's Office of Management and Budget, option 2 was the only option.

There is a possibility for entities to move away from the pool.

There was an independent audit done in FY 2016, the Risk Management liability premiums are significantly lower than the market. There is a loss trend in the liability portion of Risk's portfolio, premiums have not kept pace with the losses.

Mr. Brown asked if Option 1 is a short term fix. Mr. Nelson responded that it is a one year fix.

Risk Management is meeting with the school districts to see how they could work together to address the problem.

Option 1 would have a less impact on Risk's retained earnings and would allow a better look at net income. Option 2 would be more significant. To be actuarially sound Risk Management needs \$46 million in its liability fund.

Mr. Nelson said it is a great concern if the fund is underinsured. It exposes all entities to a significant challenge in terms of being able to recoup from significant losses.

Mr. Petillos asked about the situation where the Legislature did not fund all internal service fund rate adjustments two years ago.

Mr. Nelson indicated that Ms. Tani Downing, DAS Executive Director went to great efforts after the non-funding, to work with the Legislature, to get the funding in place. It is a clear message that Legislature feels you cannot be unfunded with respect to insurance.

Mr. Hansen explained it was two years ago the rates were unfunded. Last year, the Legislature funded the 2017 rate impacts for Risk Management to make sure that the agencies could pay their insurance.

Property Insurance Program, Refer to 2:04 in recorder (2)

The property insurance program, insures \$34 billion of state assets. Risk is not proposing a rate increase. The overall premiums will decrease by \$52,000 because of adjustments in property values.

Mr. Nelson reviewed the retained earnings, and he feels they will be breaking even in the property insurance program.

Risk is contemplating an increase in earthquake insurance. There is \$36 billion in property, the current program only insures \$525 million in earthquake insurance, it costs \$8 million purchase coverage for earthquake and flood insurance to cover these assets.

Risk has obtained an additional \$50 million in parametric earthquake coverage, for \$333,000 per year. This rate has been included in the proposed rates, without an increase in the overall rates.

Auto Insurance Program, Refer to 2:10 of the recording.

There has been an increase in auto claims. This is due to more population, and a higher rate of school bus accidents. Risk has previously been approved by the Legislature to charge a \$1,500 deductible, but Risk Management has keep the deductible at \$750 per vehicle. Given the increases in auto claims, Risk Management intends to increase the deductible amount to \$1,000 per damaged vehicle, for FY 2019. The increase in auto claims deductible, will help correct the down trend in retained earnings for the auto insurance program.

Workers Compensation Program, Refer to 2:11 of the recording.

Risk Management facilitates the Workers Compensation program. There are no proposed rate changes to the Workers Compensation Fund.

Risk Management provides a learning management system. It is a statewide enterprise system. Six agencies currently use the system. There is a full-time employee that provides assistance to departments participating in the system. Funding for the program and position has been through grants and other resources that have allowed a reduced fee.

Going forward Risk Management will be asking for some assistance for this service. It is proposing a rate of \$55 per hour for garage rates, and \$55 per hour for overhead rates, for 500 hours of system maintenance.

There were no other questions from the Committee, and there were no questions from the public.

Refer to 2:13, on the recording.

Mr. Conover suggested the committee approve option 2, and allow Risk Management to work through the process needed for option 1. He asked for a motion.

Mr. Brown made a motion to accept all the Risk Management fee increases, and going with Option 2 for the liability rate increase. If the Legislature and the Governor's Office decide to approve something different, they can charge less than the option they are approving.

Mr. Conover restated the motion. The motion is that the committee approve the recommended fees and rates with Option 2, with the option that Risk is able to work out, where option 1 would be a viable process.

Mr. Petillos asked if the committee can do that. This is an approved rate that has the possibility of being changed at a later date. Would the committee have to go back and approve the rate, saying that the rates the committee approved on September 11, 2017, have to be rescinded? Mr. Petillos wants to know the process. If the rate is approved now, that should be the approved rate.

Mr. Hansen said it is the approved rate but it is subject to two additional processes. The Governor will take the recommendation of the Rate Committee and included that as part of his budget recommendation. When rates go to the Legislature, there is a representation of all the rates. The Legislature takes into account the committee's recommendation, but it may set rates at a different level.

Mr. Conover asked if they could add to the motion, if the Governor and the Legislature approve Option 1, to lessen the impact to the school districts, and if that would be acceptable to add to the motion presented by Mr. Brown.

Mr. Hansen said it would be acceptable to add that language to the motion.

Mr. Conover asked for a second to the motion. Mr. Brasher seconded the motion, a vote was taken and the motion passed unanimously.

Mr. Hansen clarified that there was an increase to the property premium rates. The premium is based on changes to the value of the property. He wanted to make sure that was clear to the committee.

- e. **Division of Finance**, Dave Williams, Director CBA, and Brenda Lee, Division Assistant Director of Finance presented the recommended rates. Refer to 2:18 on recorder (2).

Consolidate Budget and Accounting program.

Mr. Dave Williams, Finance Director for DAS, presented the Consolidated, Budget, and Accounting Group (CBA) rates. The CBA was formed in FY 2011, and became an internal service fund in FY 2013. Personnel costs are 95% of the total costs, and 99% of their revenue is from DAS. The entire rate and impact are all from the Department of Administrative Services.

The rate impact will be \$160,000 for FY 2019. Mr. Williams explained that the retained earnings deficit is partially due to the FY 2016 salary increases and the MCA (market comparability adjustments) increases that added \$100,000 for FY 2016.

They are asking for a \$3 per hour increase in the transaction rate, and a \$7 increase in their accountant rate. The total rate impact is \$160,000 that will be funded within DAS, 60-70% of the operation funds, fund the ISF, the rest goes to appropriated budgets. The CBA is hoping to get out of the hole in the retained earnings and to increase salaries.

Mr. Hansen explained that the increase will cover the turnover in staff and the projection for next year. GOMB asked them to incorporate personnel increases for next year. GOMB had asked the CBA to calculate a 2% estimate for salary increases, and 7% increase for benefits.

The CBA is part of Finance, and its salaries are 20-30% lower than the average Finance rate. The rate increase will mostly help the accounting techs.

Purchasing Card program.

Ms. Brenda Lee, Assistant Director, Division of Finance, presented the Purchasing Card rates. Refer 2:29 to the recording.

The P-card is a state run program. It is an efficient way to make purchases. For calendar year 2016, the total purchased on the P-card was \$27 million, which was a slight increase to the prior year. The rebate to agencies in FY 2017 was almost \$300,000, which was a 20% decrease. The retained earnings goal is to stay at 60 days of retained earnings. The net income and retained earnings go up and down, because the rebates are estimated and given out before they know the actual number. The rebates from the bank are based on calendar year usage, and the rebates to agencies are based on a fiscal year.

There are no proposed rate changes for the Purchasing Card program.

Committee

Mr. Petillos asked if the purchasing card program is affected by the new credit card fees. Ms. Lee responded that Finance has not noticed any affect from the credit card fees.

Mr. Conover asked for a motion to approve the rates for Finance for FY 2019.

Ms. Bradshaw said the market adjustment did not include the accounting techs. She asked if they looked at the numbers at other agencies.

Mr. Williams said they only looked at the numbers in the Department of Administrative Services. The costs are within DAS and will not affect other agencies.

Ms. Bradshaw made a motion to approve the Finance FY 2019 rates. Mr. Brasher seconded the motion, a vote was taken, and passed unanimously.

Mr. Conover thanked Ms. Downing and Mr. Hansen for the way the Department is running and for the well-presented presentations.

Mr. Brown made a motion to adjourn. Mr. Brasher seconded the motion. The meeting adjourned at 3:40 p.m.

Division of Risk Management

Risk Management

Liability

Property

Auto

Workers Compensation

Learning Management System

Finance

Facilities Construction and Management

Fleet Operations

Purchasing and General Services



Slide 7

Risk Management

Utah Code Title 63A, Chapter 4,
"Risk Management"



Mandates the appointment of a Risk Manager and establishes the Risk Management Fund



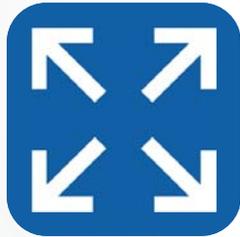
Requires economically and actuarially sound management and adequate reserves for the payment of reported, unpaid, and unreported claims



Slide 8

Insurance

Risk Management has some advantages over traditional insurance providers



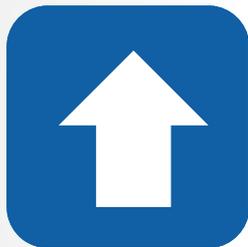
Broader coverage
for less money



Pool members share the
impact of rate increases

Slide 9

Rates Can Change



Increased claims costs
from the past year



When claims roll off an
agency's 5-year history



Insurance market
changes

Slide 10

Liability Program



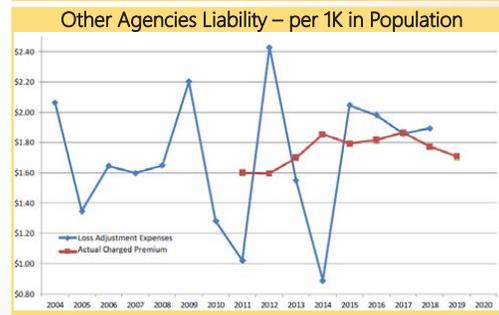
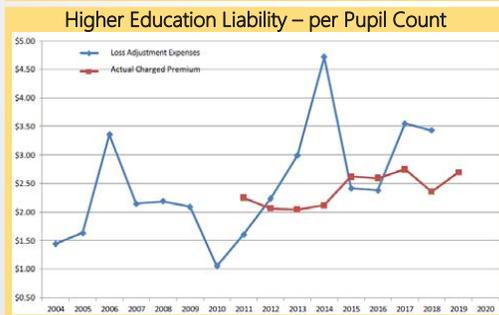
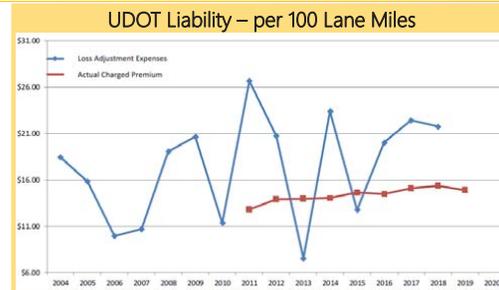
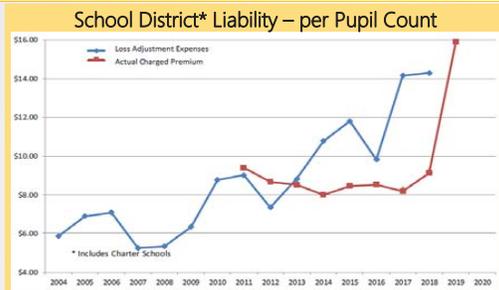
Slide 11

Liability Retained Earnings (Historical)



Slide 12

Losses and Premiums



Slide 13

Liability Reserve Status

Actuarial Projection

\$54,407,000



\$(5,126,517)

Balance

\$49,280,483



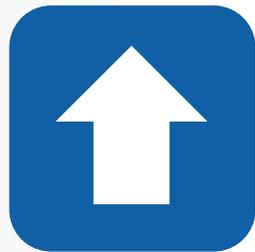
Slide 14

How We Got Here

- Unprecedented increase in liability claims
- Lag time between actuarial projections and loss experience
- Conservative projections to keep rates low and stable to minimize retained earnings

Slide 15

Liability Rate Increase/Allocation



Liability premiums will increase by \$6,895,101 in FY2020



Individual entities will have increases or decreases based on loss history and risk exposure

Slide 16

Liability Retained Earnings



Slide 17

Liability Premiums by Risk Pool

Re-capturing Historical Losses

Rate Recommendation

Premium Projections
(Numbers in Thousands)

Risk Pool	Premiums		Change	
	FY2019	FY2020	Total	Percent
School Districts & Charter Schools	\$7,824	\$11,216	\$3,392	43.4%
Department of Transportation	\$2,557	\$3,494	\$937	36.6%
Higher Education	\$3,103	\$4,755	\$1,652	53.2%
Other Agencies	\$5,700	\$6,613	\$914	16.0%
Total	\$19,184	\$26,078	\$6,895	35.9%

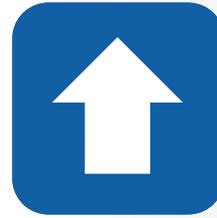


Slide 18

Property Premiums



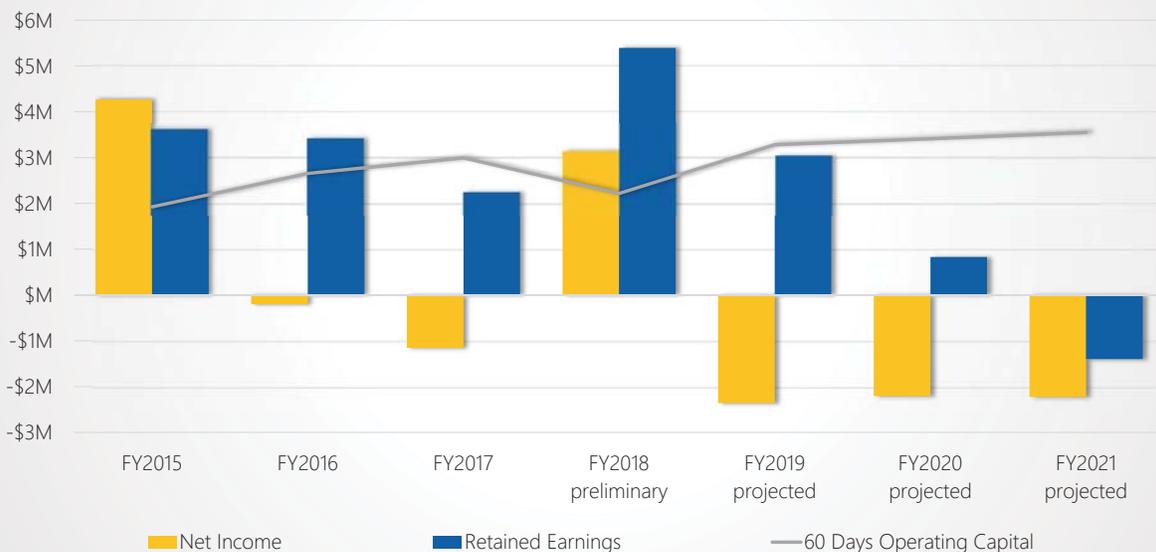
Valuation, square footage, and CPI changes will affect the amount of premium collected for all agencies with property coverage



Property premiums will increase by \$961,400 in FY2020

Slide 19

Property Retained Earnings



Slide 20

Property Premiums by Risk Pool

Rate Recommendation

Premium Projections
(Numbers in Thousands)

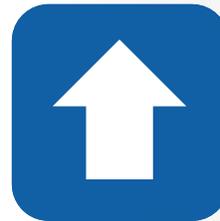
Risk Pool	Premiums		Change	
	FY2019	FY2020	Total	Percent
School Districts & Charter Schools	\$8,448	\$8,393	\$(55)	(0.7)%
Higher Education	\$5,307	\$6,276	\$969	18.3%
Other State Agencies	\$3,540	\$3,588	\$48	1.4%
Total	\$17,295	\$18,257	\$962	5.6%

Slide 21

Auto Premiums



Individual entities will have increases or decreases based on loss history and risk exposure



Auto premiums will increase slightly in FY2020. Rates will now be calculated by an actuary.

Slide 22

Auto Physical Damage Rate Changes

Current Schema

Risk Pool	Value < \$35,000	Value > \$35,000 (per \$100 of value)	School Bus	Other Vehicles or Related Equipment
Public Safety	\$175	\$0.80	\$200	\$75
Higher Education	\$125	\$0.80	\$200	\$75
Other State Agencies	\$150	\$0.80	\$200	\$75
Charter / School Districts	\$50	\$0.80	\$200	\$75

Proposed Schema

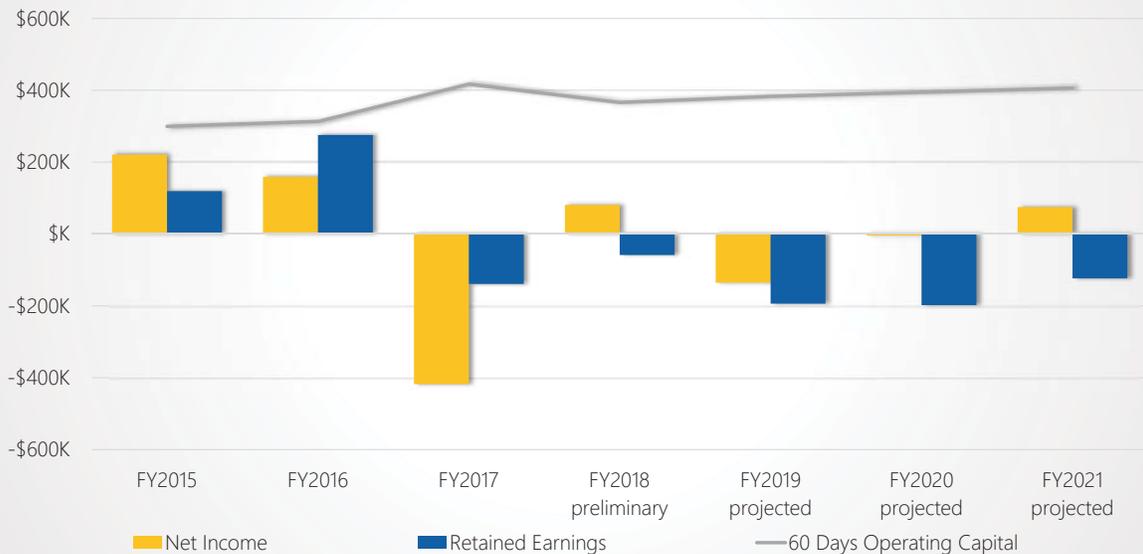
	Car / Truck	Bus	Semi-Truck	Tractor
Weight:	1.0	1.5	5.0	1.0
FY2020 Rate:	\$116.25	\$174.37	\$581.25	\$116.25

Risk Management | Automobile Insurance



Slide 23

Auto Retained Earnings



Risk Management | Automobile Insurance | Retained Earnings



Slide 24

Auto Physical Damage Premiums by Risk Pool

Rate Recommendation

Premium Projections
(Numbers in Thousands)

Risk Pool	Premiums		Change	
	FY2019	FY2020	Total	Percent
School Districts & Charter Schools	\$916	\$1,008	\$93	10.0%
Higher Education	\$299	\$328	\$24	9.7%
Other State Agencies	\$935	\$1,078	\$105	15.3%
Total	\$2,150	\$2,414	\$222	12.3%



Slide 25

Workers Compensation Retained Earnings



*\$2.5 million was transferred to Liability (\$2.4 million) and Auto (\$100,000) to help reduce the impact of premium increases.



Slide 26

Workers Compensation Premiums by Risk Pool

Rate Recommendation

Premium Projections
(Numbers in Thousands)

Risk Pool	Premiums		Change	
	FY2019	FY2020	Total	Percent
UDOT Worker	\$1,139	\$1,139	\$0	0.0%
Other/State Agencies	\$7,040	\$5,845	\$(1,195)	(17.0)%
Aviation	\$7	\$7	\$0	0.0%
Total	\$8,186	\$6,991	\$(1,195)	(14.6)%

Learning Management System (LMS)



The Utah Learning Portal is a statewide Learning Management System.



A Risk Management employee provides assistance to other departments with implementation and system issues.

Learning Management System (LMS)

Rate Recommendation

FY2020 Request Program	Rate		Change
	FY2019	FY2020	Total
Learning Management System – Enterprise Rate	\$55/hour	\$55/hour (minimum of 50 hours)	\$2,750 per participating entity

Slide 29

Risk Management Rate Committee Action

DAS Recommended Actions

Action	Slide Number or Reference	Change
Approve liability premium increases	18	\$6,895,101
Approve property premium increases	21	\$961,400
Approve automobile premium increases	25	\$221,600
Approve workers compensation premium decrease for "Other State Agencies"	27	(\$1,195,200)
Approve LMS rate impact	29	\$30,250
Approve all other existing rates	H.B. 8 (2018) Lines 2149-2301	

Slide 30

2149	RISK MANAGEMENT	
2150	ISF - Risk Management Administration	
2151	Learning Management System	
2152	Learning Management System - Enterprise Rate (per Hour)	55.00
2153	Learning Management System - Garage Rate (per Hour)	55.00
2154	Liability Premiums	
2155	Administrative Services	326,366.00
2156	Agriculture	58,373.00
2157	Alcoholic Beverage Control	74,458.00
2158	Attorney General's Office	146,107.00
2159	Auditor	10,613.00
2160	Board of Pardons	16,213.66
2161	Capitol Preservation Board	9,658.00
2162	Career Service Review Office	967.00
2163	Commerce	89,947.00
2164	Commission on Criminal and Juvenile Justice	4,127.05
2165	Heritage and Arts	35,424.00
2166	Corrections	794,469.34
2167	Courts	291,625.00
2168	Utah Office for Victims of Crime	2,897.80
2169	Education	213,385.00
2170	Deaf and Blind School	67,385.00
2171	Environmental Quality	94,280.00
2172	Fair Park	23,684.00
2173	Financial Institutions	13,909.00
2174	Governor	20,621.37
2175	Governor's Office of Management and Budget	18,220.39
2176	Governor's Office of Economic Development	60,006.39
2177	Health	309,193.00
2178	Heber Valley Railroad	3,192.00
2179	House of Representatives	9,308.00

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2180	Human Resource Management	26,963.00
2181	Human Services	716,208.00
2182	Labor Commission	29,724.00
2183	Insurance	106,183.00
2184	Legislative Fiscal Analyst	8,815.00
2185	Legislative Auditor	7,879.00
2186	Legislative Printing	1,608.00
2187	Legislative Research & General Counsel	18,649.00
2188	Medical Education Council	
2189	National Guard	64,838.00
2190	Natural Resources	338,827.00
2191	Public Lands	9,638.00
2192	Public Safety	525,299.00
2193	Public Service Commission	7,067.00
2194	School and Institutional Trust Fund	1,707.00
2195	School and Institutional Trust Lands	23,018.00
2196	Senate	5,547.00
2197	Tax Commission	142,821.00
2198	Technology Services	190,440.00
2199	Treasurer	6,753.00
2200	Utah Communications Network	8,092.00
2201	Utah Science and Technology and Research	9,294.00
2202	Veteran's Affairs	44,262.00
2203	Workforce Services	485,289.00
2204	Transportation	2,459,000.00
2205	Board of Regents	84,589.83
2206	Dixie State University	165,600.63
2207	Salt Lake Community College	257,549.76
2208	Snow College	74,789.91
2209	Southern Utah University	132,105.87
2210	Bridgerland Technology College	24,746.67
2211	Davis Technology College	28,586.61
2212	Ogden Weber Technology College	29,939.13
2213	Uintah Basin Technology College	16,123.77
2214	Tooele Technology College	6,869.07
2215	Dixie Technology College	13,071.24
2216	Mountainland Technology College	21,177.00

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2217	Southwest Technology College	10,866.96
2218	University of Utah	1,320,459.66
2219	Utah State University	637,456.95
2220	Utah Valley University	413,900.37
2221	Weber State University	287,811.81
2222	School Districts	9,863,559.00
2223	Property Insurance Rates	
2224	Net Estimated Premium	16,215,080.00
2225	Parametric Earthquake Premiums	330,000.00
2226	Gross Premium for Buildings	
2227	Existing Insured Buildings	
2228	Existing Insured Buildings	See formula
2229	Building value as determined by Risk Mgt. & owner as of Statement of	
2230	Values year end review multiplied by the Marshall & Swift Valuation Service	
2231	rates associated w/ Building Construction Class, Occupancy Type, Building	
2232	Quality, & Fire Protection Code	
2233	Newly Insured Buildings	
2234	Newly Insured Buildings	See formula
2235	Building value as determined by Risk Mgt. & owner as of Statement of	
2236	Values year end review multiplied by the Marshall & Swift Valuation Service	
2237	rates associated w/ Building Construction Class, Occupancy Type, Building	
2238	Quality, & Fire Protection Code	
2239	Building Demographic Discounts	
2240	Fire Suppression Sprinklers	15% discount
2241	Smoke alarm/Fire detectors	5% discount
2242	Flexible water/Gas connectors	1% discount
2243	Surcharges	
2244	Lack of compliance with Risk Mgt. recommendations	10% surcharge
2245	Building built prior to 1950	10% surcharge
2246	Agency Discount1 (REAF)	63.5% discount
2247	Agency Discount2	See formula
2248	Agency specific discount negotiated w/ Risk Mgt	
2249	Gross Premium for Contents	
2250	Existing Insured Buildings	
2251	Existing Insured Buildings	See formula
2252	Content value as determined by Risk Mgt. & owner as of Statement of	
2253	Values year end review multiplied by the Marshall & Swift Valuation Service	

2254	rates associated w/ Building Construction Class, Occupancy Type, Building	
2255	Quality, & Fire Protection Code	
2256	Newly Insured Buildings	
2257	Newly Insured Buildings	See formula
2258	Content value as determined by Risk Mgt. & owner as of Statement of	
2259	Values year end review multiplied by the Marshall & Swift Valuation Service	
2260	rates associated w/ Building Construction Class, Occupancy Type, Building	
2261	Quality, & Fire Protection Code	
2262	Gross Premium Discounts/Penalties	
2263	Non-Compliance Penalty - Meeting Minutes	5% Penalty
2264	Up to 5% penalty for non-compliance with Risk loss control activities,	
2265	namely submitting Risk control meeting minutes on a quarterly basis.	
2266	Non-Compliance Penalty - Self Inspection Survey	10% Penalty
2267	Up to 10% penalty for non-compliance with Risk loss control activities,	
2268	namely submitting the annual Self Inspection Survey.	
2269	Liability Premiums	
2270	Specialized Lines of Coverage	See Formula
2271	Specialized lines of insurance outside of typical coverage lines. Pass	
2272	through costs direct from insurance provider.	
2273	Automobile/Physical Damage Premiums	
2274	Public Safety rate for value less than \$35,000 (per vehicle)	175.00
2275	Higher Education rate for value less than \$35,000 (per vehicle)	125.00
2276	Other state agency rate for value less than \$35,000 (per vehicle)	150.00
2277	School bus rate (per vehicle)	200.00
2278	School district rate for value less than \$35,000 (per vehicle)	50.00
2279	Rate for value more than \$35,000 (per \$100 of value)	0.80
2280	Other vehicles or related equipment	
2281	State and Higher Education (per vehicle)	75.00
2282	School District (per vehicle)	50.00
2283	Standard deductible (per incident)	1,500.00
2284	Up to this amount with discounts available for compliance with	
2285	specifically identified Risk Management loss control activities.	
2286	Course of Construction Premiums	
2287	Rate per \$100 of value	0.053
2288	Charged once per project (unless scope changes)	
2289	Charter Schools	
2290	Liability (\$2 million coverage)	

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2291	Charter School Pre-opening Liability Coverage (per School)	1,000.00
2292	Charter School Liability (\$1,000 minimum) (per student)	9.00
2293	Property (\$1,000 deductible per occurrence)	
2294	Cost per \$100 in value, \$100 minimum	0.10
2295	Comprehensive/Collision (\$750 deductible per occurrence)	
2296	Cost per year per vehicle	150.00
2297	ISF - Workers' Compensation	
2298	Workers Compensation Rates	
2299	UDOT	1.25% per \$100 wages
2300	State Agencies	0.70% (except UDOT)
2301	Aviation (per PILOT-YEAR)	\$2,200

Pro Forma Financial Statements
6020 Risk Management Administration

8/27/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALANTS	398,677	464,433	451,694	790,935	853,965	853,965	853,965
ACCOUNTS RECEIVABLE		152	1,982	0	0	0	0
DUE FROM OTHER FUNDS			8,917	0			
INVENTORIES			0	0			
PREPAID ITEMS			0	56,354			
TOTAL CURRENT ASSETS	398,677	464,585	462,593	847,289	853,965	853,965	853,965
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM			0	0			
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS			0	0			
CONSTRUCTION IN PROGRESS			0	0			
BUILDINGS AND IMPROVEMENTS			0	0			
MACHINERY AND EQUIPMENT	635,110	655,110	655,110	655,110	655,110	655,110	655,110
ACCUMULATED DEPRECIATION	(462,879)	(624,012)	(636,215)	(648,434)	(655,110)	(655,110)	(655,110)
TOTAL CAPITAL ASSETS	172,231	31,098	18,895	6,676	0	0	0
TOTAL ASSETS	570,908	495,683	481,488	853,965	853,965	853,965	853,965
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE	238,272	165,611	83,522	91,424	91,424	91,424	91,424
ACCRUED LIABILITIES			59,028	47,394	47,394	47,394	47,394
DEFERRED REVENUE			0	0			
INTERFUND LOAN (Short Term Cash Deficit)			0	0			
DUE TO OTHER FUNDS	3,646	1,082	9,947	7,737	7,737	7,737	7,737
POLICY CLAIM LIABILITY-CURRENT			0	0			
CAPITAL LEASE PAYABLE-SHORT TERM			0	0			
REVENUE BONDS - SHORT TERM			0	0			
TOTAL CURRENT LIABILITIES	241,918	166,693	152,498	146,555	146,555	146,555	146,555
REVENUE BONDS - LONG TERM			0	0			
CAPITAL LEASE PAYABLE-LONG TERM			0	0			
CONTRACTS PAYABLE - LONG TERM			0	0			
INTERFUND LOAN FROM OTHER FUNDS			0	0			
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)			0	0			
POLICY CLAIM LIABILITY L / T			0	0			
TOTAL LONG-TERM LIABILITIES	0	0	0	0	0	0	0
TOTAL LIABILITIES	241,918	166,693	152,498	146,555	146,555	146,555	146,555
CONTRIBUTED CAPITAL							
RETAINED EARNINGS	328,990	328,990	328,991	707,410	707,410	707,410	707,410
TOTAL FUND EQUITY / NET ASSETS	328,990	328,990	328,991	707,410	707,410	707,410	707,410
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	570,908	495,683	481,488	853,965	853,965	853,965	853,965
	0	0	0	0	(0)	(0)	(0)

INCOME STATEMENT

TOTAL OPERATING REVENUES (before proposed rate impacts)	3,668	186,708	175,496	275,766	275,766	303,266	303,266
Rate Impact					27,500		
TOTAL OPERATING REVENUES (after proposed rate impacts)	3,668	186,708	175,496	275,766	303,266	303,266	303,266
PERSONNEL SERVICES	2,793,633	3,087,087	3,076,936	3,284,743	3,383,285	3,276,042	3,276,042
TRAVEL EXPENSE	41,759	34,367	55,565	56,097	57,779	57,779	57,779
CURRENT EXPENSE	235,964	397,708	422,389	555,708	572,379	572,379	572,379
DATA PROCESSING CURRENT EXPENSE	294,046	340,518	491,454	434,705	447,746	447,746	447,746
DEPRECIATION EXPENSE	161,126	161,133	12,203	12,219	12,586	0	0
OTHER CHARGES/PASS THROUGH	(3,593,320)	(3,834,105)	(3,883,041)	(4,045,342)	(4,170,509)	(4,050,680)	(4,050,680)
TOTAL OPERATING EXPENSES	(66,792)	186,708	175,505	298,129	303,266	303,266	303,266
TOTAL OPERATING INCOME (LOSS)	70,460	0	(9)	(22,363)	0	0	0
GAIN (LOSS) ON SALE OF FIXED ASSETS			0	0	0	0	0
INTEREST /OTHER INCOME			9	400,782	0	0	0
INTEREST EXPENSE			0	0	0	0	0
FEDERAL GRANTS			0	0	0	0	0
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT			0	0	0	0	0
OPERATING TRANSFERS IN (OUT)			0	0	0	0	0
NET INCOME (LOSS)	70,460	0	(0)	378,419	0	0	0

CASH FLOW STATEMENT

BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	135,987	398,677	464,433	451,694	790,935	853,965	853,965
Total Cash from Sales	3,668	186,556	175,496	275,766	303,266	303,266	303,266
Capital Asset Disposal Proceeds	0	0	0	0	0	0	0
Federal Grants							
State Appropriations							
Other Sources			1,464	367,547	63,030	-	-
TOTAL SOURCES OF CASH	3,668	186,556	176,960	643,313	366,296	303,266	303,266
Cash Used for Operations	259,022	(100,800)	(175,505)	(298,129)	(303,266)	(303,266)	(303,266)
Payments for Capital Assets		(20,000)			0	0	0
State Appropriations							
Other Uses			(14,195)	(5,943)	-	-	-
TOTAL USES OF CASH	259,022	(120,800)	(189,700)	(304,072)	(303,266)	(303,266)	(303,266)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	398,677	464,433	451,694	790,935	853,965	853,965	853,965

**Pro Forma Financial Statements
6920 Risk Management Liability**

8/27/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALANTS	46,015,436	43,614,011	44,920,470	48,580,962	48,245,330	54,485,814	63,532,245
ACCOUNTS RECEIVABLE	12,947	4,076	680	486			
DUE FROM OTHER FUNDS			0	0			
INVENTORIES			0	0			
PREPAID ITEMS		51,762	0	0			
TOTAL CURRENT ASSETS	46,028,383	43,669,849	44,921,150	48,581,448	48,245,330	54,485,814	63,532,245
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM			0	0			
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS			0	0			
CONSTRUCTION IN PROGRESS			0	0			
BUILDINGS AND IMPROVEMENTS			0	0			
MACHINERY AND EQUIPMENT			0	0			
ACCUMULATED DEPRECIATION			0	0			
TOTAL CAPITAL ASSETS	0	0	0	0	0	0	0
TOTAL ASSETS	46,028,383	43,669,849	44,921,150	48,581,448	48,245,330	54,485,814	63,532,245
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE	56,845	6,611	760,835	62,211	62,211	62,211	62,211
ACCRUED LIABILITIES			0	0			
DEFERRED REVENUE			0	0			
INTERFUND LOAN (Short Term Cash Deficit)			0	0			
DUE TO OTHER FUNDS	895,776	852,034	975,246	1,038,836	1,038,836	1,038,836	1,038,836
POLICY CLAIM LIABILITY-CURRENT	16,683,000	16,759,000	18,392,000	17,006,000	18,706,600	20,577,260	22,634,986
CAPITAL LEASE PAYABLE-SHORT TERM			0	0			
REVENUE BONDS - SHORT TERM			0	0			
TOTAL CURRENT LIABILITIES	17,635,621	17,617,645	20,128,081	18,107,047	19,807,647	21,678,307	23,736,033
REVENUE BONDS - LONG TERM			0	0			
CAPITAL LEASE PAYABLE-LONG TERM			0	0			
CONTRACTS PAYABLE - LONG TERM			0	0			
INTERFUND LOAN FROM OTHER FUNDS			0	0			
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)			0	0			
POLICY CLAIM LIABILITY L / T	26,805,000	26,804,001	28,557,000	37,401,000	41,141,100	45,255,210	49,780,731
TOTAL LONG-TERM LIABILITIES	26,805,000	26,804,001	28,557,000	37,401,000	41,141,100	45,255,210	49,780,731
TOTAL LIABILITIES	44,440,621	44,421,646	48,685,081	55,508,047	60,948,747	66,933,517	73,516,764
CONTRIBUTED CAPITAL					0	0	0
RETAINED EARNINGS	1,587,762	(751,797)	(3,763,932)	(6,926,600)	(12,703,417)	(12,447,703)	(9,984,519)
TOTAL FUND EQUITY / NET ASSETS	1,587,762	(751,797)	(3,763,932)	(6,926,600)	(12,703,417)	(12,447,703)	(9,984,519)
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	46,028,383	43,669,849	44,921,150	48,581,448	48,245,331	54,485,814	63,532,245

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	15,892,768	15,856,048	16,711,270	16,647,500	16,647,500	18,447,500	25,247,500
Rate Impact					1,800,000	6,800,000	3,000,000
TOTAL OPERATING REVENUES (after proposed rate impacts)	15,892,768	15,856,048	16,711,270	16,647,500	18,447,500	25,247,500	28,247,500
PERSONNEL SERVICES			0	0	0	0	0
TRAVEL EXPENSE			0	0	0	0	0
CURRENT EXPENSE	13,260,793	16,763,008	18,514,039	21,130,804	22,187,344	22,852,965	23,538,554
DATA PROCESSING CURRENT EXPENSE			0	0	0	0	0
DEPRECIATION EXPENSE			0	0	0	0	0
OTHER CHARGES/PASS THROUGH	2,164,716	1,747,547	1,768,862	1,939,974	2,036,973	2,138,822	2,245,763
TOTAL OPERATING EXPENSES	15,425,509	18,510,555	20,282,902	23,070,779	24,224,317	24,991,786	25,784,316
TOTAL OPERATING INCOME (LOSS)	467,259	(2,654,507)	(3,571,632)	(6,423,278)	(5,776,817)	255,714	2,463,184
GAIN (LOSS) ON SALE OF FIXED ASSETS			0	0	0	0	0
INTEREST /OTHER INCOME	183,331	314,948	559,496	860,610	0	0	0
INTEREST EXPENSE			0	0	0	0	0
FEDERAL GRANTS			0	0	0	0	0
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT			0	0	0	0	0
OPERATING TRANSFERS IN (OUT)			0	2,400,000	0	0	0
NET INCOME (LOSS)	650,590	(2,339,559)	(3,012,136)	(3,162,668)	(5,776,817)	255,714	2,463,184

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	45,207,466	46,015,436	43,614,011	44,920,469	48,580,961	48,245,330	54,485,814
Total Cash from Sales	15,879,820	15,864,919	16,711,270	16,647,500	18,447,500	25,247,500	28,247,500
Capital Asset Disposal Proceeds	0	0	0	0	0	0	0
Federal Grants							
State Appropriations				2,400,000			
Other Sources	183,331	113,907	614,654	860,804	486		
TOTAL SOURCES OF CASH	16,063,151	15,978,826	17,325,924	19,908,305	18,447,986	25,247,500	28,247,500
Cash Used for Operations	(15,255,181)	(18,380,251)	(20,282,902)	(23,070,779)	(24,224,317)	(24,991,786)	(25,784,316)
Payments for Capital Assets	0	0			0	0	0
State Appropriations							
Other Uses			4,263,436	6,822,966	5,440,700	5,984,770	6,583,247
TOTAL USES OF CASH	(15,255,181)	(18,380,251)	(16,019,465)	(16,247,812)	(18,783,617)	(19,007,016)	(19,201,069)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	46,015,436	43,614,011	44,920,469	48,580,961	48,245,330	54,485,814	63,532,245

**Pro Forma Financial Statements
6900 Risk Management Property**

8/27/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALANTS	11,085,434	11,328,713	12,616,116	11,235,458	9,563,294	7,400,940	5,220,910
ACCOUNTS RECEIVABLE			9,889	63,213			
DUE FROM OTHER FUNDS		131,351	148,618	0			
INVENTORIES			0	0			
PREPAID ITEMS		599,284	0	638,362			
TOTAL CURRENT ASSETS	11,085,434	12,059,348	12,774,623	11,937,034	9,563,294	7,400,940	5,220,910
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM			0	0			
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS			0	0			
CONSTRUCTION IN PROGRESS			0	0			
BUILDINGS AND IMPROVEMENTS			0	0			
MACHINERY AND EQUIPMENT			0	0			
ACCUMULATED DEPRECIATION			0	0			
TOTAL CAPITAL ASSETS	0	0	0	0	0	0	0
TOTAL ASSETS	11,085,434	12,059,348	12,774,623	11,937,034	9,563,294	7,400,940	5,220,910
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE		70	4,134	15,426			
ACCRUED LIABILITIES			0	0			
DEFERRED REVENUE			0	0			
INTERFUND LOAN (Short Term Cash Deficit)			0	0			
DUE TO OTHER FUNDS	0	17,263	175,724	0	0	0	0
POLICY CLAIM LIABILITY-CURRENT	2,374,198	3,716,555	4,988,676	1,209,900	1,209,900	1,234,098	1,258,780
CAPITAL LEASE PAYABLE-SHORT TERM			0	0			
REVENUE BONDS - SHORT TERM			0	0			
TOTAL CURRENT LIABILITIES	2,374,198	3,733,888	5,168,535	1,225,326	1,209,900	1,234,098	1,258,780
REVENUE BONDS - LONG TERM			0	0			
CAPITAL LEASE PAYABLE-LONG TERM			0	0			
CONTRACTS PAYABLE - LONG TERM			0	0			
INTERFUND LOAN FROM OTHER FUNDS			0	0			
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)			0	0			
POLICY CLAIM LIABILITY L / T	896,666	712,768	1,149,891	1,117,000	1,117,000	1,139,340	1,162,127
TOTAL LONG-TERM LIABILITIES	896,666	712,768	1,149,891	1,117,000	1,117,000	1,139,340	1,162,127
TOTAL LIABILITIES	3,270,864	4,446,656	6,318,426	2,342,326	2,326,900	2,373,438	2,420,907
CONTRIBUTED CAPITAL	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000
RETAINED EARNINGS	3,614,570	3,412,692	2,256,197	5,394,707	3,036,394	827,501	(1,399,997)
TOTAL FUND EQUITY / NET ASSETS	7,814,570	7,612,692	6,456,198	9,594,707	7,236,394	5,027,501	2,800,003
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	11,085,434	12,059,348	12,774,624	11,937,034	9,563,294	7,400,939	5,220,910

INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	16,281,465	16,141,171	16,682,327	16,219,715	16,219,715	17,319,715	18,256,256
Rate Impact					1,100,000	936,541	800,000
TOTAL OPERATING REVENUES (after proposed rate impacts)	16,281,465	16,141,171	16,682,327	16,219,715	17,319,715	18,256,256	19,056,256
PERSONNEL SERVICES			0	0	0	0	0
TRAVEL EXPENSE			0	0	0	0	0
CURRENT EXPENSE	10,928,976	14,182,058	16,194,113	11,350,081	17,645,960	18,351,798	19,085,870
DATA PROCESSING CURRENT EXPENSE			0	0	0	0	0
DEPRECIATION EXPENSE			0	0	0	0	0
OTHER CHARGES/PASS THROUGH	619,238	1,744,507	1,765,671	1,935,303	2,032,068	2,113,350	2,197,884
TOTAL OPERATING EXPENSES	11,548,214	15,926,565	17,959,785	13,285,384	19,678,028	20,465,149	21,283,755
TOTAL OPERATING INCOME (LOSS)	4,733,251	214,606	(1,277,457)	2,934,331	(2,358,313)	(2,208,893)	(2,227,499)
GAIN (LOSS) ON SALE OF FIXED ASSETS			0	0	0	0	0
INTEREST /OTHER INCOME	615	70,948	120,961	204,179	0	0	0
INTEREST EXPENSE			0	0	0	0	0
FEDERAL GRANTS	(463,739)	(487,432)	0	0	0	0	0
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT			0	0	0	0	0
OPERATING TRANSFERS IN (OUT)			0	0	0	0	0
NET INCOME (LOSS)	4,270,127	(201,878)	(1,156,496)	3,138,510	(2,358,313)	(2,208,893)	(2,227,499)

CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	6,797,656	11,085,434	11,328,713	12,616,116	11,235,458	9,563,294	7,400,940
Total Cash from Sales	17,281,465	16,141,171	16,682,327	16,219,715	17,319,715	18,256,256	19,056,256
Capital Asset Disposal Proceeds	0	0	0	0	0	0	0
Federal Grants							
State Appropriations							
Other Sources	615		693,089	(338,889)	701,575		
TOTAL SOURCES OF CASH	17,282,080	16,141,171	17,375,416	15,880,825	18,021,290	18,256,256	19,056,256
Cash Used for Operations	(12,530,563)	(15,410,460)	(17,959,785)	(13,285,384)	(19,678,028)	(20,465,149)	(21,283,755)
Payments for Capital Assets	0	0			0	0	0
State Appropriations							
Other Uses	(463,739)	(487,432)	1,871,772	(3,976,100)	(15,426)	46,538	47,469
TOTAL USES OF CASH	(12,994,302)	(15,897,892)	(16,088,013)	(17,261,483)	(19,693,454)	(20,418,611)	(21,236,286)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	11,085,434	11,328,713	12,616,116	11,235,458	9,563,294	7,400,940	5,220,910

**Pro Forma Financial Statements
6910 Risk Management Auto**

8/27/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALANTS	290,715	378,302	421,694	547,922	413,650	421,388	508,398
ACCOUNTS RECEIVABLE			0	30,496			
DUE FROM OTHER FUNDS	2,934		0	0			
INVENTORIES			0	0			
PREPAID ITEMS			0	0			
TOTAL CURRENT ASSETS	293,649	378,302	421,694	578,418	413,650	421,388	508,398
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM			0	0			
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS			0	0			
CONSTRUCTION IN PROGRESS			0	0			
BUILDINGS AND IMPROVEMENTS			0	0			
MACHINERY AND EQUIPMENT			0	0			
ACCUMULATED DEPRECIATION			0	0			
TOTAL CAPITAL ASSETS	0	0	0	0	0	0	0
TOTAL ASSETS	293,649	378,302	421,694	578,418	413,650	421,388	508,398
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE	2,700	200	3,498	41,173			
ACCRUED LIABILITIES			0	0			
DEFERRED REVENUE			0	0			
INTERFUND LOAN (Short Term Cash Deficit)	0		0	0			
DUE TO OTHER FUNDS			0	0	0	0	0
POLICY CLAIM LIABILITY-CURRENT	117,182	89,066	436,094	601,200	613,224	625,488	637,998
CAPITAL LEASE PAYABLE-SHORT TERM			0	0			
REVENUE BONDS - SHORT TERM			0	0			
TOTAL CURRENT LIABILITIES	119,882	89,266	439,592	642,373	613,224	625,488	637,998
REVENUE BONDS - LONG TERM			0	0			
CAPITAL LEASE PAYABLE-LONG TERM			0	0			
CONTRACTS PAYABLE - LONG TERM			0	0			
INTERFUND LOAN FROM OTHER FUNDS			0	0			
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)			0	0			
POLICY CLAIM LIABILITY L / T	54,538	10,636	121,169	(5,600)	(5,712)	(5,826)	(5,943)
TOTAL LONG-TERM LIABILITIES	54,538	10,636	121,169	(5,600)	(5,712)	(5,826)	(5,943)
TOTAL LIABILITIES	174,420	99,902	560,761	636,773	607,512	619,662	632,055
CONTRIBUTED CAPITAL					0	0	0
RETAINED EARNINGS	119,229	278,400	(139,066)	(58,355)	(193,862)	(198,274)	(123,658)
TOTAL FUND EQUITY / NET ASSETS	119,229	278,400	(139,066)	(58,355)	(193,862)	(198,274)	(123,658)
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	293,649	378,302	421,694	578,418	413,650	421,388	508,397

	0	0	0	0	(0)	(0)	(1)
INCOME STATEMENT							
01 TOTAL OPERATING REVENUES (before proposed rate impacts)	2,017,535	2,031,721	2,074,069	2,161,305	2,161,305	2,161,305	2,361,305
Rate Impact						200,000	150,000
TOTAL OPERATING REVENUES (after proposed rate impacts)	2,017,535	2,031,721	2,074,069	2,161,305	2,161,305	2,361,305	2,511,305
PERSONNEL SERVICES			0	0	0	0	0
TRAVEL EXPENSE			0	0	0	0	0
CURRENT EXPENSE	1,436,762	1,484,940	2,104,300	1,788,836	1,878,278	1,934,626	1,992,665
DATA PROCESSING CURRENT EXPENSE			0	0	0	0	0
DEPRECIATION EXPENSE			0	0	0	0	0
OTHER CHARGES/PASS THROUGH	360,087	393,229	397,499	406,344	418,534	431,090	444,023
TOTAL OPERATING EXPENSES	1,796,849	1,878,169	2,501,799	2,195,180	2,296,812	2,365,717	2,436,688
TOTAL OPERATING INCOME (LOSS)	220,686	153,552	(427,731)	(33,875)	(135,508)	(4,412)	74,617
GAIN (LOSS) ON SALE OF FIXED ASSETS			0	0	0	0	0
INTEREST /OTHER INCOME	228	5,619	10,265	114,587	0	0	0
INTEREST EXPENSE			0	0	0	0	0
FEDERAL GRANTS			0	0	0	0	0
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT			0	0	0	0	0
OPERATING TRANSFERS IN (OUT)			0	0	0	0	0
NET INCOME (LOSS)	220,914	159,171	(417,466)	80,711	(135,508)	(4,412)	74,617

CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	87,517	290,715	378,302	421,695	547,922	413,650	421,388
Total Cash from Sales	2,017,536	2,031,721	2,074,069	2,161,305	2,161,305	2,361,305	2,511,305
Capital Asset Disposal Proceeds	0	0	0	0	0	0	0
Federal Grants							
State Appropriations							
Other Sources	228	5,619	10,265	84,091	30,496	-	-
TOTAL SOURCES OF CASH	2,017,764	2,037,340	2,084,333	2,245,396	2,191,801	2,361,305	2,511,305
Cash Used for Operations	(1,814,566)	(1,949,753)	(2,501,799)	(2,195,180)	(2,296,812)	(2,365,717)	(2,436,688)
Payments for Capital Assets	0	0			0	0	0
State Appropriations							
Other Uses			460,859	76,012	(29,261)	12,150	12,393
TOTAL USES OF CASH	(1,814,566)	(1,949,753)	(2,040,940)	(2,119,168)	(2,326,073)	(2,353,567)	(2,424,295)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	290,715	378,302	421,695	547,922	413,650	421,388	508,398

Pro Forma Financial Statements
6030 Risk Management Workers Compensation

8/27/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALANTS	2,778,183	3,501,506	4,059,811	3,289,075	1,483,619	121,817	777,675
ACCOUNTS RECEIVABLE	0	0	0	0	0	0	0
DUE FROM OTHER FUNDS	635,046	593,192	622,373	658,324	658,324	658,324	658,324
INVENTORIES	0	0	0	0	0	0	0
PREPAID ITEMS	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS	3,413,229	4,094,698	4,682,184	3,947,399	2,141,943	780,141	1,435,999
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM	0	0	0	0	0	0	0
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS	0	0	0	0	0	0	0
CONSTRUCTION IN PROGRESS	0	0	0	0	0	0	0
BUILDINGS AND IMPROVEMENTS	0	0	0	0	0	0	0
MACHINERY AND EQUIPMENT	0	0	0	0	0	0	0
ACCUMULATED DEPRECIATION	0	0	0	0	0	0	0
TOTAL CAPITAL ASSETS	0	0	0	0	0	0	0
TOTAL ASSETS	3,413,229	4,094,698	4,682,184	3,947,399	2,141,943	780,141	1,435,999
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE	25,113.24	17,008.70	147,312.77	542,851.12	14,139	14,139	14,139
DEFERRED REVENUE	0	0	0	0	0	0	0
INTERFUND LOAN (Short Term Cash Deficit)	0	0	0	0	0	0	0
DUE TO OTHER FUNDS	41,314	20,307	58,203	28,100	28,100	28,100	28,100
POLICY CLAIM LIABILITY-CURRENT	0	0	0	0	0	0	0
CAPITAL LEASE PAYABLE-SHORT TERM	0	0	0	0	0	0	0
REVENUE BONDS - SHORT TERM	0	0	0	0	0	0	0
TOTAL CURRENT LIABILITIES	66,427	37,316	205,516	570,952	42,240	42,240	42,240
REVENUE BONDS - LONG TERM	0	0	0	0	0	0	0
CAPITAL LEASE PAYABLE-LONG TERM	0	0	0	0	0	0	0
CONTRACTS PAYABLE - LONG TERM	0	0	0	0	0	0	0
INTERFUND LOAN FROM OTHER FUNDS	0	0	0	0	0	0	0
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)	0	0	0	0	0	0	0
POLICY CLAIM LIABILITY L / T	0	0	0	0	0	0	0
TOTAL LONG-TERM LIABILITIES	0	0	0	0	0	0	0
TOTAL LIABILITIES	66,427	37,316	205,516	570,952	42,240	42,240	42,240
CONTRIBUTED CAPITAL	0	0	0	0	0	0	0
RETAINED EARNINGS	3,346,803	4,057,382	4,484,443	3,376,448	2,099,704	737,902	1,393,760
TOTAL FUND EQUITY / NET ASSETS	3,346,803	4,057,382	4,484,443	3,376,448	2,099,704	737,902	1,393,760
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	3,413,230	4,094,698	4,689,958	3,947,400	2,141,943	780,142	1,436,000
	0	1	7,774	0	0	1	0
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	9,086,419	7,976,260	7,884,649	8,142,156	8,142,156	8,142,156	6,987,830
Rate Impact						(1,154,326)	
TOTAL OPERATING REVENUES (after proposed rate impacts)	9,086,419	7,976,260	7,884,649	8,142,156	8,142,156	6,987,830	6,987,830
PERSONNEL SERVICES	343,471	318,196	332,877	347,284	357,702	368,433	379,486
TRAVEL EXPENSE	52	878	950	1,621	1,670	1,670	1,670
CURRENT EXPENSE	5,875,414	7,682,737	7,215,381	6,368,282	6,559,331	6,559,331	6,559,331
DATA PROCESSING CURRENT EXPENSE	0	97	69	293	301	301	301
DEPRECIATION EXPENSE	0	0	0	0	0	0	0
OTHER CHARGES/PASS THROUGH	72,204	40,775	489,249	112,775	80,000	0	0
TOTAL OPERATING EXPENSES	6,291,141	8,042,683	8,038,526	6,830,254	6,999,004	6,929,735	6,940,788
TOTAL OPERATING INCOME (LOSS)	2,795,278	(66,423)	(153,877)	1,311,903	1,143,153	58,096	47,043
GAIN (LOSS) ON SALE OF FIXED ASSETS	0	0	0	0	0	0	0
INTEREST /OTHER INCOME	1	777,002	580,938	608,815	608,815	608,815	608,815
INTEREST EXPENSE	0	0	0	0	0	0	0
FEDERAL GRANTS	0	0	0	0	0	0	0
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT	0	0	0	(528,712)	(528,712)	(528,712)	0
OPERATING TRANSFERS IN (OUT)	0	0	0	(2,500,000)	(2,500,000)	(1,500,000)	0
NET INCOME (LOSS)	2,795,279	710,579	427,060	(1,107,995)	(1,276,744)	(1,361,801)	655,858
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	731,437	2,778,183	3,501,506	4,067,585	3,289,075	1,483,619	121,817
Total Cash from Sales	8,960,448	8,018,115	7,855,467	8,106,205	8,142,156	6,987,830	6,987,830
Capital Asset Disposal Proceeds	0	0	0	0	0	0	0
Federal Grants							
State Appropriations	-	-	-				
Other Sources	1	777,002	580,938	608,815	608,815	608,815	608,815
TOTAL SOURCES OF CASH	8,960,449	8,795,117	8,436,405	8,715,020	8,750,971	7,596,645	7,596,645
Cash Used for Operations	(6,913,703)	(8,071,794)	(7,870,326)	(6,993,530)	(6,999,004)	(6,929,735)	(6,940,788)
Payments for Capital Assets					0	0	0
State Appropriations				(2,500,000)	(2,500,000)	(1,500,000)	
Other Uses					(1,057,424)	(528,712)	
TOTAL USES OF CASH	(6,913,703)	(8,071,794)	(7,870,326)	(9,493,530)	(10,556,428)	(8,958,447)	(6,940,788)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	2,778,183	3,501,506	4,067,585	3,289,075	1,483,619	121,817	777,675

Division of Finance

Risk Management

Finance

Purchasing Card

Finance

Facilities Construction and Management

Fleet Operations

Purchasing and General Services



Slide 31

Purchasing Card



The purchasing card provides an efficient, cost-effective method of purchasing and payment



Total purchasing card usage was \$31.77 million in CY2017 (17.67% increase)

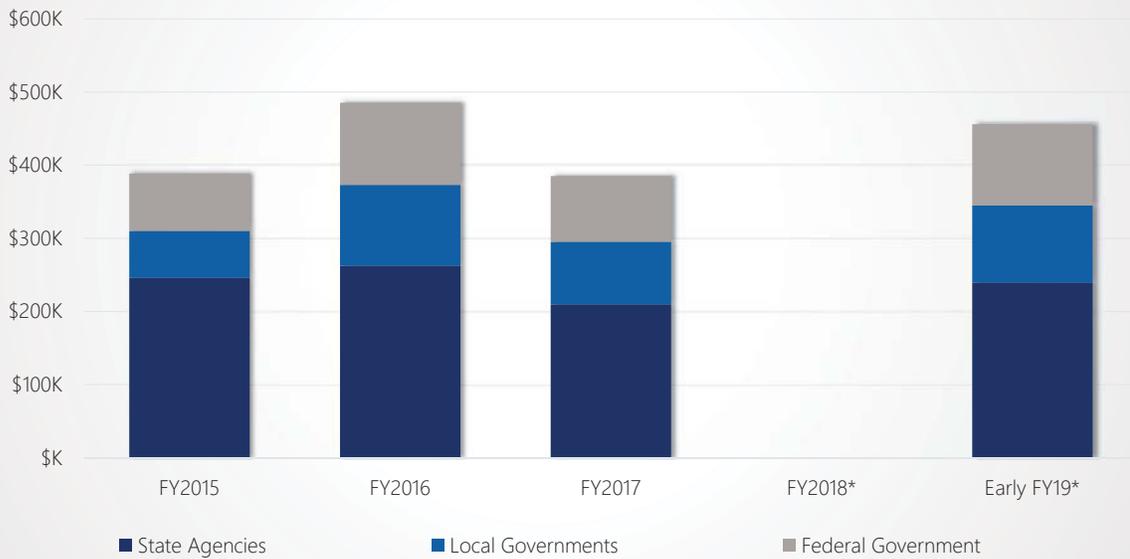


The planned net rebate to State agencies and local governments is \$344,802 and will be processed in August 2018 (16.8% increase)



Slide 32

Rebates to State Agencies (Net of Program Costs)

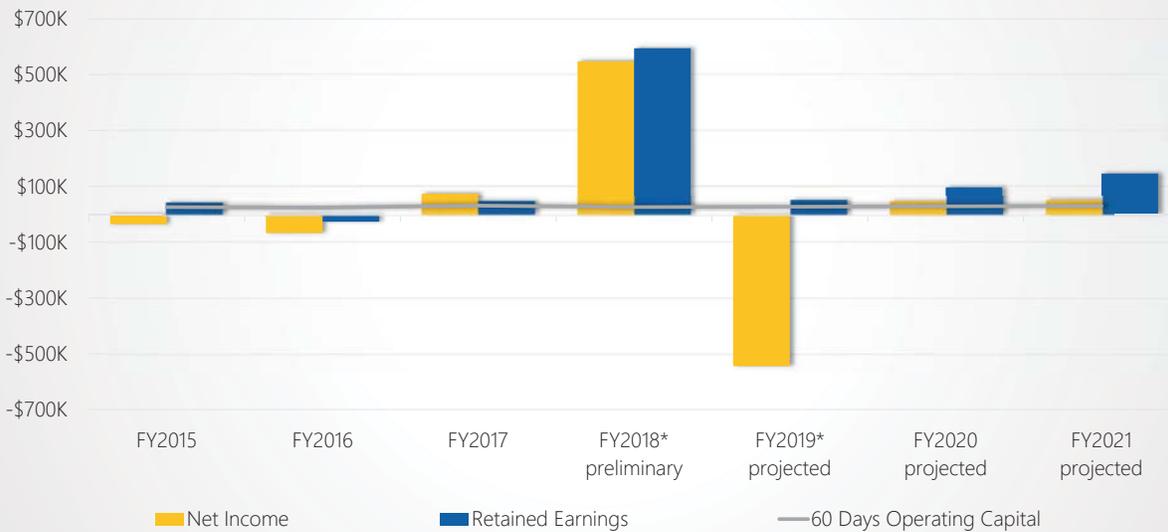


*Fiscal Year 2018 rebate will be distributed in early Fiscal Year 2019.



Slide 33

Purchasing Card Retained Earnings



*Net Income and Retained Earnings are higher due to delayed distribution of rebate.



Slide 34

Purchasing Card Rates

Rate Recommendation

No change to current rate structure

Slide 35

Finance Rate Committee Action

DAS Recommended Actions

Action	Slide Number or Reference	Change
Approve existing rate	H.B. 8 (2018) Lines 2010-2012	--

Slide 36

2006 DIVISION OF FINANCE

2010 **ISF - Purchasing Card**

2011 Purchasing Card

2012 Contract rebates

Variable

**Pro Forma Financial Statements
Purchasing Card**

8/24/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	109,295	0	0	299,084	11,527	33,342	148,161
ACCOUNTS RECEIVABLE	839,555	840,964	1,112,241	1,338,812	1,250,000	1,350,000	1,417,500
DUE FROM OTHER FUNDS	1,160,460	1,154,888	3,329,976	1,879,438	1,700,000	1,750,000	1,750,000
INVENTORIES	0	0	0	0	0	0	0
PREPAID EXPENSES	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS	2,109,310	1,995,852	4,442,217	3,517,334	2,961,527	3,133,342	3,315,661
PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS							
CONSTRUCTION IN PROGRESS							
BUILDINGS AND IMPROVEMENTS							
MACHINERY AND EQUIPMENT							
ACCUMULATED DEPRECIATION							
TOTAL CAPITAL ASSETS	0	0	0	0	0	0	0
TOTAL ASSETS	2,109,310	1,995,852	4,442,217	3,517,334	2,961,527	3,133,342	3,315,661
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE	2,067,051	1,688,152	2,669,068	2,526,676	2,521,150	2,647,208	2,779,568
ACCRUED LIABILITIES	0	0	0	0	0	0	0
UNEARNED REVENUE	0	0	5,000	0	0	0	0
INTERFUND LOAN (Short Term Cash Deficit)	0	58,058	0	0	0	0	0
DUE TO OTHER FUNDS	1,553	2,658	5,827	395,835	390,000	390,000	390,000
POLICY CLAIMS LIABILITIES - SHORT TERM	0	0	0	0	0	0	0
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	2,068,604	1,748,868	2,679,895	2,922,511	2,911,150	3,037,208	3,169,568
REVENUE BONDS - LONG TERM							
CAPITAL LEASE PAYABLE-LONG TERM							
CONTRACTS PAYABLE - LONG TERM							
INTERFUND LOAN FROM OTHER FUNDS							
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)		273,906	1,715,547	0	0	0	0
POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	0	273,906	1,715,547	0	0	0	0
TOTAL LIABILITIES	2,068,604	2,022,774	4,395,442	2,922,511	2,911,150	3,037,208	3,169,568
CONTRIBUTED CAPITAL	0	0	0	0	0	0	0
RETAINED EARNINGS	40,706	(26,922)	46,775	594,823	50,377	96,134	146,093
TOTAL FUND EQUITY / NET ASSETS	40,706	(26,922)	46,775	594,823	50,377	96,134	146,093
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	2,109,310	1,995,852	4,442,217	3,517,334	2,961,527	3,133,342	3,315,661

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	507,243	572,242	644,285	702,739	732,626	769,257	807,720
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	507,243	572,242	644,285	702,739	732,626	769,257	807,720
PERSONAL SERVICES	78,482	82,819	86,026	90,918	95,464	100,237	105,249
TRAVEL EXPENSE	0	0	0	0	0	0	0
CURRENT EXPENSE	57,863	55,230	56,791	34,708	36,443	38,265	38,265
CURRENT EXPENSE - DATA PROCESSING	0	0	24,171	7,973	8,372	8,791	9,230
DEPRECIATION EXPENSE	0	0	0	0	0	0	0
OTHER EXPENSES	18,299	16,709	18,246	21,092	22,148	23,254	24,417
TOTAL OPERATING EXPENSES	154,644	154,758	185,234	154,691	162,427	170,547	177,161
TOTAL OPERATING INCOME (LOSS)	352,599	417,484	459,051	548,048	570,200	598,710	630,560
GAIN (LOSS) ON SALE OF FIXED ASSETS							
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS							
REVENUE REBATES TO AGENCIES AND OTHER GOVTS	(310,001)	(372,881)	(295,181)	0	(889,146)	(438,753)	(460,691)
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT	(78,658)	(112,231)	(90,173)	0	(225,500)	(114,200)	(119,910)
OPERATING TRANSFERS IN (OUT)							
NET INCOME (LOSS)	(36,060)	(67,628)	73,697	548,048	(544,446)	45,757	49,959

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	511,305	109,295	(331,964)	(1,715,547)	299,084	11,527	33,342
Total Cash from Operations	306,126	576,405	(1,797,080)	1,921,706	1,000,876	619,257	740,220
Capital Asset Disposal Proceeds	0	0	0	0	0	0	0
Federal Grants							
State Appropriations							
Other Sources							
TOTAL SOURCES OF CASH	306,126	576,405	(1,797,080)	1,921,706	1,000,876	619,257	740,220
Cash Used for Operations	(319,477)	(532,552)	798,851	92,925	(173,787)	(44,489)	(44,800)
Payments for Capital Assets	0	0	0	0	0	0	0
State Appropriations							
Other Uses - Rebates and Federal Refunds	(388,659)	(485,112)	(385,354)	-	(1,114,646)	(552,953)	(580,601)
TOTAL USES OF CASH	(708,136)	(1,017,664)	413,497	92,925	(1,288,433)	(597,442)	(625,401)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	109,295	(331,964)	(1,715,547)	299,084	11,527	33,342	148,161

Division of Facilities Construction and Management

Risk Management

Finance

Facilities Construction and Management

Facilities Management

Fleet Operations

Purchasing and General Services



Slide 37

Program Efficiencies

The Division of Facilities Construction and Management (DFCM) provides building management service to state agency subscribers. Service includes preventative and corrective maintenance, grounds care, energy management, contract management and accounting services.



160 Authorized FTEs
143.5 Current FTEs



Provided maintenance and management services to over 200 state-owned and leased buildings



\$35 million FY2019 adjusted revenue



Manage over 7.5 million square feet of space



Slide 38

Program Efficiencies

DFCM is focused on efficient building operation



Average operations and maintenance costs:
36% below local average
52% below national average



Statewide service through regionalized management groups



Diverse portfolio including office space, courthouses, laboratories, retail, warehouse, and veterans assisted living

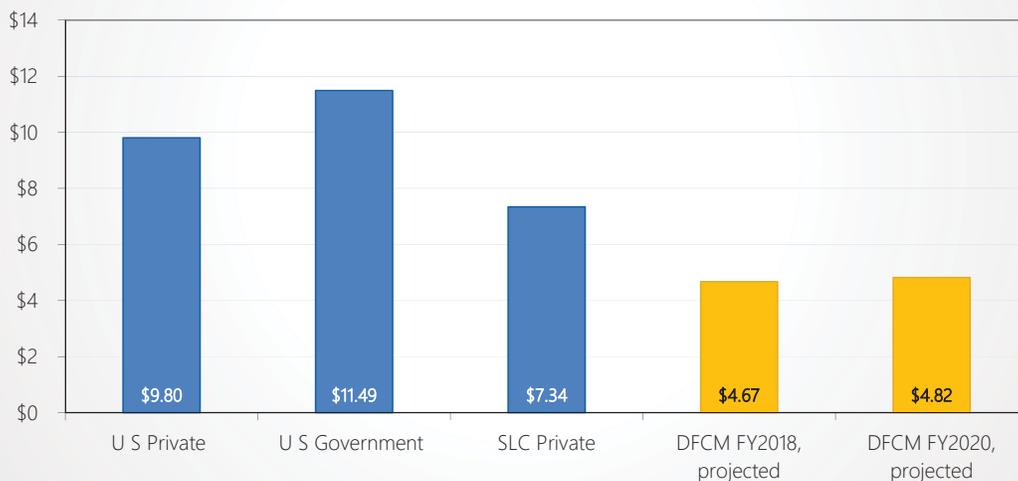


Combination of internal staff and private sector resources to provide cost-effective services

Slide 39

Cost Per Square Foot

Based on BUILDING OWNERS AND MANAGERS ASSOCIATION (BOMA) Data
Calendar Year 2017 Information



Slide 40

Facilities Management Retained Earnings



DFCM | Facilities Management | Retained Earnings



Slide 41

Facilities Management Retained Earnings (Days)



DFCM | Facilities Management | Retained Earnings



Slide 42

Facilities Management Rates

Rate Recommendation

Rate adjustments for the following 7 programs:

Program	Amount of Increase (Decrease)	Reason
1310 Richfield DNR	\$30,000	Deficit Reduction
1333 St. George Court	\$50,000	Deficit Reduction
1357 Orem Court	\$30,000	Deficit Reduction
1374 Price DPS	\$25,000	Deficit Reduction
1383 Payson VA	\$20,000	Deficit Reduction
1562 West Valley Court	\$30,000	Deficit Reduction
1569 ABC Complex	\$120,000	Deficit Reduction
Total	\$305,000	

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Updated 9/11/2018

Facilities Management Rates

Rate Recommendation

FY2019 Authorized – New programs or scope changes:

Program	Amount of Increase (Decrease)	Reason
1465 ABC Store - Herriman	\$52,020.00	New store February, 2019
1706 ABC Store - Syracuse	\$45,900.00	New store October, 2018
1347 Provo Juvenile Court	\$(131,656.92)	Will only house Juvenile Work Crew after 1/1/2019
1354 Provo Court	\$(124,750.00)	Transfer building to Mountainland Technical College 2/1/2019
1380 New Provo Courts/Terrace	\$1,320,997.88	Court/Terrace 310,492 square feet Occupancy date 2/1/2019
1609 New DEQ Building	\$62,788.63	21,139 square feet Occupancy date Spring 2019
Totals	\$1,225,299.59	

NOTE: These facilities have been funded through another process.

Slide 44

Facilities Management Labor (Garage) Rates

Rate Recommendation

FY2020 Request – Garage rate adjustments

Labor	FY2019	FY2020	Increase (Decrease)
Apprentice Maintenance	\$42	\$45	7%
Electronics Resource Group	\$46	\$48	4%
Facilities Manager / Coordinator II	\$58	\$65	12%
Grounds Manager	\$40	\$43	8%
Grounds Supervisor	\$38	\$40	5%
Groundskeeper	\$36	\$41	14%
Journey Boiler Operator	\$55	\$58	5%
Journey Carpenter	\$50	\$52	4%
Journey Electrician	\$53	\$56	6%
Journey HVAC	\$51	\$55	8%
Journey Maintenance	\$47	\$50	6%
Journey Plumber	\$51	\$54	6%
Maintenance Supervisor	\$50	\$51	2%
Mechanics	\$40	\$42	5%
Office Technician	\$38	\$40	5%
Temp Groundskeeper	\$21	\$26	24%

Slide 45

Updated 9/11/2018

Facilities Construction and Management Rate Committee Action

DAS Recommended Actions

Action	Slide Number or Reference	Change
Approve rate adjustments for seven programs	43	\$305,000
Approve six new programs or scope changes	44	\$1,225,300
Approve Labor (garage) rate adjustments	45	varies
Approve all other existing rates	H.B. 8 (2018) Lines 1874-2005	--

Slide 46

1873	DEPARTMENT OF ADMINISTRATIVE SERVICES INTERNAL SERVICE FUND	
1874	DIVISION OF FACILITIES CONSTRUCTION AND MANAGEMENT - FACILITIES MANAGEMENT	
1875	Unified Lab #2	865,836.54
1876	Cedar City DNR	62,790.16
1877	Ivins VA Nursing Hom	83,064.39
1878	Spanish Fork Veterinary Lab	35,716.03
1879	Payson VA Nursing Home	79,105.70
1880	Vernal Drivers License	34,615.00
1881	Ogden VA Nursing Home	52,945.37
1882	Garage-Journey Boiler Operator	55.00
1883	Garage-Journey Carpenter	50.00

H.B. 8**Enrolled Copy**

1884	Garage-Journey Plumber	51.00
1885	Utah State Developmental Center	2,298,357.00
1886	Lone Peak Forestry & Fire	38,020.65
1887	Alcoholic Beverage Control Stores	1,665,481.50
1888	Price Public Safety	65,897.00
1889	Ogden Juvenile Court	444,038.00
1890	Garage-Administrative Staff	48.00
1891	Garage - Apprentice Maintenance	42.00
1892	Garage-Electronic Resource	46.00
1893	Garage-Facilities Manager	58.00
1894	Garage-Groundskeeper II	36.00
1895	Garage - Grounds Manager	40.00
1896	Garage-Grounds Supervisor	38.00
1897	Garage-Journey Electrician	53.00
1898	Garage-Journey HVAC	51.00
1899	Garage-Journey Maintenance	47.00
1900	Garage-Maintenance Supervisor	50.00
1901	Garage-Mechanic	40.00
1902	Garage-Office Technician	38.00
1903	Garage-Temp Groundskeeper	21.00
1904	Wasatch Courts	9,577.00
1905	Chase Home	17,428.00
1906	Vernal DNR	80,394.00
1907	Clearfield Warehouse C6 - Archives	149,410.32
1908	Clearfield Warehouse C7 - DNR/DPS	102,837.00
1909	Cedar City A P & P	28,444.00
1910	N UT Fire Dispatch Center	30,438.66
1911	UCAT Admin	47,882.00
1912	Veteran's Memorial Cemetery	24,464.00
1913	Alcoholic Beverage Control Administration	685,415.00
1914	Juab County Court	76,798.00
1915	Agriculture	356,706.00
1916	Adult Probation and Parole Freemont Office Building	192,375.00
1917	Archives	110,619.00
1918	Brigham City Court	169,400.00
1919	Brigham City Regional Center	573,808.00
1920	Calvin Rampton Complex	1,602,863.00

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1921	Cannon Health	860,515.00
1922	Capitol Hill Complex	3,809,700.00
1923	Cedar City Courts	103,520.00
1924	Cedar City Regional Center	72,008.00
1925	Department of Administrative Services Surplus Property	59,747.00
1926	Department of Public Safety	
1927	DPS Crime Lab	42,000.00
1928	Drivers License	185,577.00
1929	Farmington Public Safety	68,425.00
1930	Fairpark Driver's License Division	61,571.00
1931	Dixie Drivers License	62,928.00
1932	Driver License West Valley	98,880.00
1933	Division of Services for the Blind and Visually Impaired Training Housing	49,736.00
1934	Farmington 2nd District Courts	537,465.00
1935	Glendinning Fine Arts Center	45,000.00
1936	Governor's Residence	152,156.00
1937	Heber M. Wells	936,679.00
1938	Highland Regional Center	331,766.40
1939	Human Services	
1940	Clearfield East	127,306.00
1941	Ogden Academy Square	299,834.00
1942	DHS - Vernal	74,117.00
1943	Layton Court	80,896.00
1944	Logan 1st District Court	379,267.00
1945	Medical Drive Complex	260,640.00
1946	Moab Regional Center	112,533.00
1947	Murray Highway Patrol	141,738.00
1948	Natural Resources	745,072.00
1949	Natural Resources Price	124,323.00
1950	Natural Resources Richfield (Forestry)	41,519.52
1951	Navajo Trust Fund Administration	132,640.00
1952	Office of Rehabilitation Services	204,156.00
1953	Ogden Court	467,740.00
1954	Ogden Juvenile Probation	211,134.00
1955	Ogden Regional Center	749,366.80
1956	Orem Circuit Court	90,792.00
1957	Orem Public Safety	105,640.00

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1958	Orem Region Three Department of Transportation	141,192.00
1959	Provo Court	299,400.00
1960	Provo Juvenile Courts	173,940.00
1961	Provo Regional Center	664,011.00
1962	Public Safety Depot Ogden	34,822.00
1963	Richfield Court	106,535.68
1964	Richfield Dept. of Technology Services Center	39,000.00
1965	Richfield Regional Center	75,499.00
1966	Rio Grande Depot	493,565.00
1967	Salt Lake Court	1,868,160.00
1968	Salt Lake Government Building #1	972,934.00
1969	Salt Lake Regional Center - 1950 West	250,492.00
1970	St. George Courts	465,353.00
1971	St. George DPS	49,572.00
1972	St. George Tax Commission	64,224.00
1973	State Library	183,714.00
1974	State Library State Mail	156,261.00
1975	State Library visually impaired	124,027.00
1976	Taylorsville Center for the Deaf	138,681.00
1977	Taylorsville Office Building	185,250.00
1978	Tooele Courts	311,351.00
1979	Unified Lab	883,894.00
1980	Utah Arts Collection	43,900.00
1981	Utah State Office of Education	410,669.00
1982	Utah State Tax Commission	970,200.00
1983	Vernal 8th District Court	248,649.00
1984	Vernal Division of Services for People with Disabilities	31,330.00
1985	Vernal Juvenile Courts	20,256.00
1986	West Jordan Courts	557,835.00
1987	West Valley 3rd District Court	118,350.00
1988	Work Force Services	
1989	1385 South State	308,430.70
1990	Administration	685,930.00
1991	DWS Brigham City	46,304.00
1992	Call Center	200,317.00
1993	Cedar City	78,461.00
1994	Clearfield/Davis Co.	180,633.00

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1995	Logan	110,088.00
1996	Metro Employment Center	252,776.00
1997	Midvale	135,640.00
1998	Ogden	153,748.00
1999	Provo	144,970.00
2000	Richfield	58,072.00
2001	South County Employment Center	176,196.00
2002	St. George	66,452.00
2003	Vernal	73,702.00
2004	Ogden Division of Motor Vehicles and Drivers License	71,964.00
2005	Ogden Radio Shop	16,434.00

**Proforma Financial Statements
DFCM ISF Maintenance**

8/18/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
CASH & CASH EQUIVALENTS	2,650,429	3,404,489	3,465,324	4,738,610	5,132,314	6,287,373	5,882,692
ACCOUNTS RECEIVABLE	7,091	29,083	6,131	11,945	18,649	15,026	20,756
DUE FROM OTHER FUNDS	416,067	375,130	220,234	723,759	242,609	233,440	33,440
INVENTORIES	0	0	0	0	0	0	0
PREPAID EXPENSES	30,832	33,979	51,816	40,889	44,686	48,728	53,647
TOTAL CURRENT ASSETS	3,104,419	3,842,681	3,743,506	5,515,202	5,438,259	6,584,567	5,990,535
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM	339,292	305,313	267,989	227,100	182,404	133,657	80,647
TOTAL OTHER ASSETS	339,292	305,313	267,989	227,100	182,404	133,657	80,647
LAND / LAND IMPROVEMENTS	0	0	0	0	0	0	0
CONSTRUCTION IN PROGRESS	0	0	0	0	0	0	0
BUILDINGS AND IMPROVEMENTS	0	0	0	0	0	0	0
MACHINERY AND EQUIPMENT	573,242	615,449	523,991	553,658	710,397	735,397	735,397
INTANGIBLE ASSETS - SOFTWARE	120,000	120,000	120,000	120,000	120,000	120,000	120,000
ACCUMULATED DEPRECIATION	(663,307)	(670,673)	(582,307)	(604,648)	(841,506)	(922,071)	(918,247)
TOTAL CAPITAL ASSETS	29,935	64,776	61,684	69,011	(11,109)	(66,673)	(62,850)
TOTAL ASSETS	3,473,646	4,212,770	4,073,179	5,811,313	5,609,553	6,651,552	6,008,332
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	1,749,590	1,758,826	1,766,327	2,259,339	1,454,046	1,665,355	1,453,991
ACCRUED LIABILITIES	488,542	415,061	364,463	284,098	300,000	300,000	300,000
UNEARNED REVENUE	0	0	9,600	4,800	0	0	0
INTERFUND LOAN (Short Term Cash Deficit)	0	0	0	0	0	0	0
DUE TO OTHER FUNDS	44,994	62,751	35,552	119,831	0	0	0
CONTRACTS NOTES PAYABLE - SHORT TERM	30,832	33,979	37,324	40,889	44,686	48,728	53,647
CAPITAL LEASE PAYABLE-SHORT TERM	0	0	0	0	0	0	0
REVENUE BONDS - SHORT TERM	0	0	0	0	0	0	0
TOTAL CURRENT LIABILITIES	2,313,959	2,270,617	2,213,265	2,708,957	1,798,732	2,014,083	1,807,638
REVENUE BONDS - LONG TERM	0	0	0	0	0	0	0
CAPITAL LEASE PAYABLE-LONG TERM	0	0	0	0	0	0	0
CONTRACTS PAYABLE - LONG TERM	339,292	305,313	267,989	227,100	182,404	133,657	80,647
INTERFUND LOAN FROM OTHER FUNDS	0	0	0	0	0	0	0
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)	0	0	0	0	0	0	0
POLICY CLAIMS LIABILITIES - LONG-TERM	0	0	0	0	0	0	0
TOTAL LONG-TERM LIABILITIES	339,292	305,313	267,989	227,100	182,404	133,657	80,647
TOTAL LIABILITIES	2,653,251	2,575,929	2,481,254	2,936,058	1,981,136	2,147,740	1,888,285
CONTRIBUTED CAPITAL							
RETAINED EARNINGS - DESIGNATED	150,000	150,000	150,000	150,000	150,000	150,000	150,000
RETAINED EARNINGS	670,394	1,486,840	1,441,925	2,725,256	3,478,417	4,353,811	3,970,047
TOTAL FUND EQUITY / NET ASSETS	820,394	1,636,840	1,591,925	2,875,256	3,628,417	4,503,811	4,120,047
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	3,473,645	4,212,769	4,073,179	5,811,313	5,609,553	6,651,551	6,008,333
	0	0	0	0	0	0	(0)
INCOME STATEMENT							
TOTAL OPERATING REVENUES (after proposed rate impacts)	29,088,594	30,005,083	31,039,083	34,415,626	34,511,319	34,691,319	34,774,475
PERSONAL SERVICES (5101-5300)	7,584,998	7,845,739	8,613,986	9,793,787	10,576,889	10,959,009	9,385,491
TRAVEL EXPENSE (6001-6057)	18,194	19,163	19,996	15,117	20,103	20,103	20,103
CURRENT EXPENSE (6115-6296)(6407) (6730)	21,012,793	20,672,668	21,657,197	22,690,340	22,613,890	22,213,408	23,673,104
CURRENT EXPENSE - DATA PROCESSING (6500-6595 & 6467-6471)	371,439	398,466	449,066	509,593	349,062	406,324	394,026
DEPRECIATION EXPENSE (6792)	15,380	18,505	27,541	28,488	61,454	80,564	52,409
OTHER EXPENSES (SWCAP) (7520-7593)	204,832	221,896	362,752	190,517	217,337	219,921	219,921
TOTAL OPERATING EXPENSES	29,207,636	29,176,437	31,130,536	33,227,841	33,838,736	33,899,329	33,745,055
TOTAL OPERATING INCOME (LOSS)	(119,042)	828,646	(91,453)	1,187,784	672,583	791,990	1,029,420
GAIN (LOSS) ON SALE OF FIXED ASSETS (2777)	0	0	13,903	2,530	0	0	0
INTEREST INCOME (4584)	39	58	90	145	39	39	39
INTEREST EXPENSE (6264)	(23,011)	(12,758)	(15,657)	(4,145)	(12,119)	(10,094)	(7,882)
PROPERTY LEASES (2805)	0	500.00	90,396	97,017	92,659	93,459	94,659
FEDERAL GRANTS	0	0	0	0	0	0	0
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT (7593)	0	0	(12,080)	0	0	0	0
OPERATING TRANSFERS IN (OUT) (8500)	0	0	(54,564)	0	0	0	0
NET INCOME (LOSS)	(142,013)	816,446	(69,364)	1,283,331	753,161	875,394	1,116,236
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	2,714,401	2,650,429	3,404,489	3,465,324	4,738,610	5,132,314	6,287,373
Total Cash from Sales	29,048,164	30,005,083	31,039,083	34,408,762	34,269,388	34,800,539	34,268,475
Capital Asset Disposal Proceeds	0	0	13,903	2,530	0	0	0
Federal Grants	0	0	0	0	0	0	0
State Appropriations	0	0	0	0	0	0	0
Other Sources - Lease Payments (code 2805)	0	0	90,396	97,017	92,659	93,459	94,659
Other Sources - Interest Earnings	39	58	90	145	39	39	39
TOTAL SOURCES OF CASH	29,048,204	30,005,141	31,143,473	34,508,454	34,362,086	34,894,037	34,363,173
Cash Used for Operations	(29,104,076)	(29,211,322)	(30,991,544)	(33,199,354)	(33,777,282)	(33,562,478)	(34,692,854)
Payments for Capital Assets	(8,100)	(39,758)	(24,449)	(35,814)	(141,100)	(126,500)	(25,000)
State Appropriations	0	0	(54,564)	0.00	(50,000)	(50,000)	(50,000)
Other Uses - Federal Refund	-	-	(12,080)	0.00	-	-	-
TOTAL USES OF CASH	(29,112,176)	(29,251,080)	(31,082,638)	(33,235,168)	(33,968,382)	(33,738,978)	(34,767,854)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	2,650,429	3,404,489	3,465,324.44	4,738,610.20	5,132,314.08	6,287,372.93	5,882,691.94

Division of Fleet Operations

Risk Management
Finance
Facilities Construction and Management

Fleet Operations

Motor Pool

Fuel Network

State Travel

Transactions Team

Purchasing and General Services



Slide 47

Motor Pool



7,817 total vehicles
in the State fleet



367 private sector
vendors



4,621 Fleet
Operations vehicles



KeyValet key kiosk
pilot



Telematics pilot

Numbers current as of June 30, 2018



Slide 48

Motor Pool Debt to General Fund



Slide 49

Previously Approved Motor Pool Monthly Lease Rate

$$\text{Monthly Lease Rate} = \frac{\text{Contract Price} - \text{Salvage}}{\text{Lifecycle}} + \text{Fees}$$

Contract Price	2013 model year contract price for class								
Salvage Value	<table border="0"> <tr> <td>Light trucks</td> <td>21%</td> </tr> <tr> <td>Select sedans</td> <td>18%</td> </tr> <tr> <td>Select SUVs</td> <td>21%</td> </tr> <tr> <td>All others</td> <td>17%</td> </tr> </table> Salvage Value (estimated at 25% of contract price)	Light trucks	21%	Select sedans	18%	Select SUVs	21%	All others	17%
Light trucks	21%								
Select sedans	18%								
Select SUVs	21%								
All others	17%								
Lifecycle	Current lifecycle (in months) based on actual mileage								
Fees	Admin fee and Management Information System (MIS) Alternative Fuel Vehicle (AFV) fees								



Slide 50

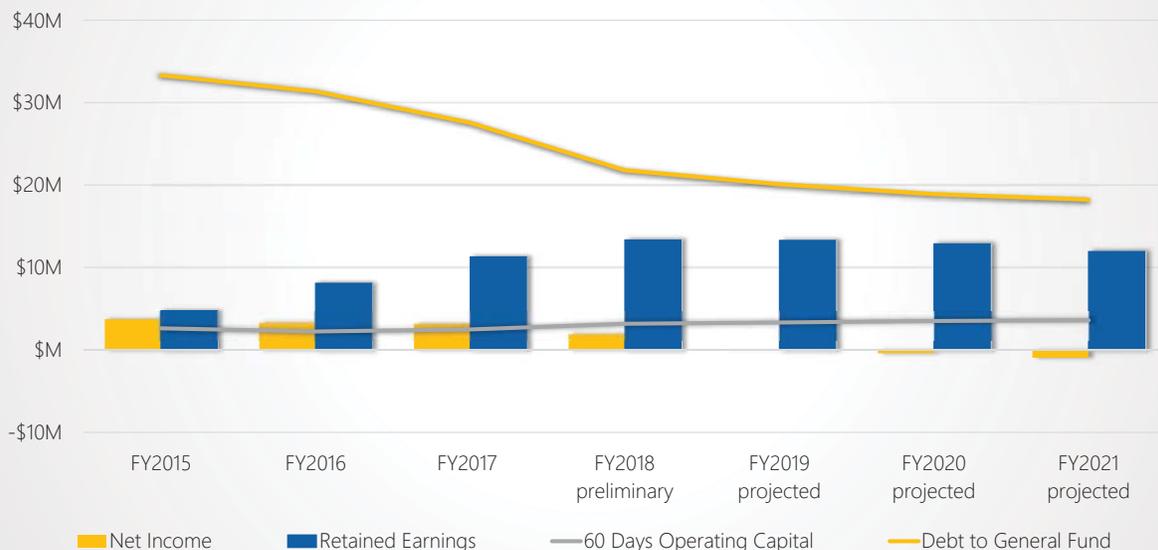
Motor Pool Monthly Lease Rate

$$\text{Monthly Lease Rate} = \frac{\text{Contract Price} - \text{Salvage}}{\text{Lifecycle}} + \text{Fees}$$

Contract Price	2013 model year contract price for class		
Salvage Value	Light trucks	21%	Salvage Value (estimated at 25% of contract price) applied retroactively to all existing vehicles
	Select sedans	18%	
	Select SUVs	21%	
	All others	17%	
Lifecycle	Current lifecycle (in months) based on actual mileage		
Fees	Admin fee and Management Information System (MIS) Alternative Fuel Vehicle (AFV) fees		

Slide 51

Motor Pool Retained Earnings



Slide 52

Motor Pool Rates

Rate Recommendation

FY2020 Request

Fee	FY2019	FY2020	Increase (Decrease)
Monthly Lease Rate	Contract Price – Salvage / Years + Fees	Bring all vehicles less than 25% salvage up to 25%	-5.82%

Slide 53

Fuel Network



37,511 vehicles participate



18,270,211.42 million gallons dispensed

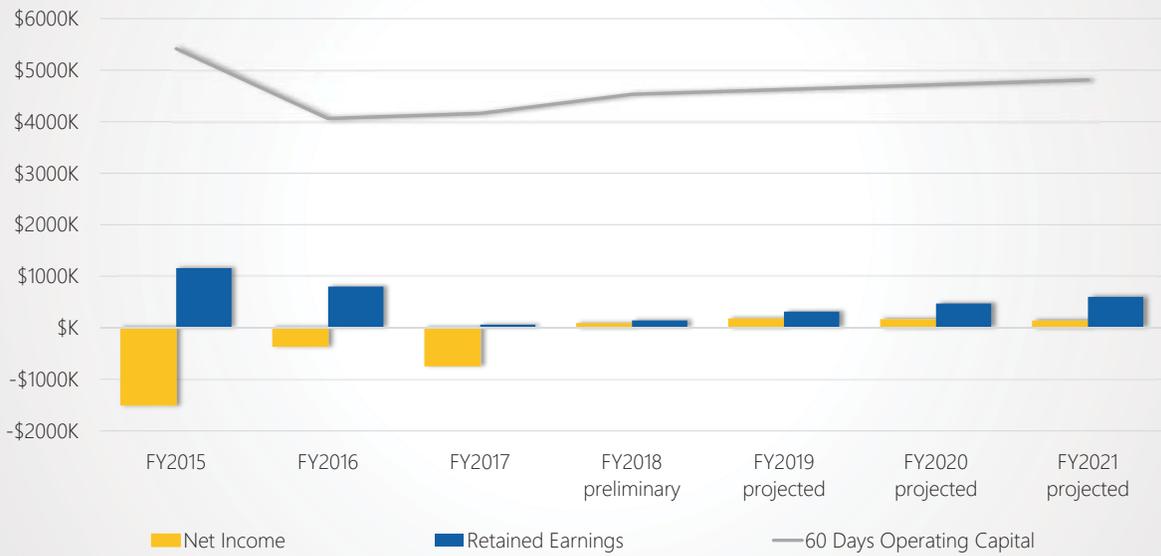


450 tanks state-wide
130 sites with card readers
6 CNG fuel sites

Numbers current as of June 30, 2018

Slide 54

Fuel Network Retained Earnings



Fleet Operations | Fuel Network | Retained Earnings



Slide 55

Fuel Network Rates

Rate Recommendation
No change to current rate structure

Fleet Operations | Fuel Network | Rate Changes



Slide 56

State Travel Office



Booked 7,205 car reservations



Made 11,571 hotel reservations

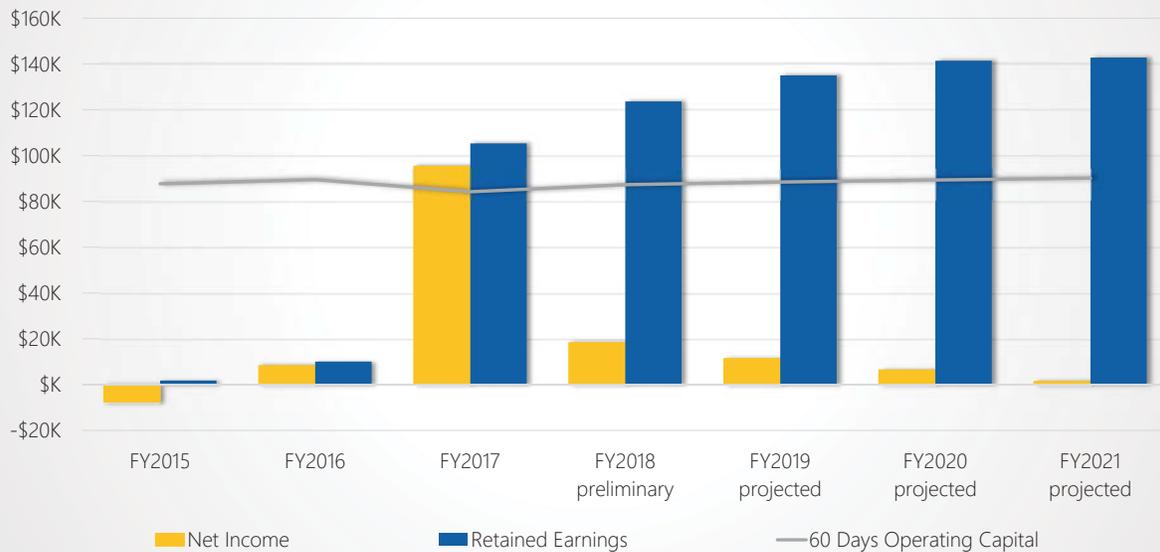


Issued 19,870 airline tickets

Numbers current as of June 30, 2018

Slide 57

State Travel Office Retained Earnings



Slide 58

State Travel Office Rates

Rate Recommendation

No change to current rate structure

Slide 59

Transactions Team



13 Customers



9 Employees

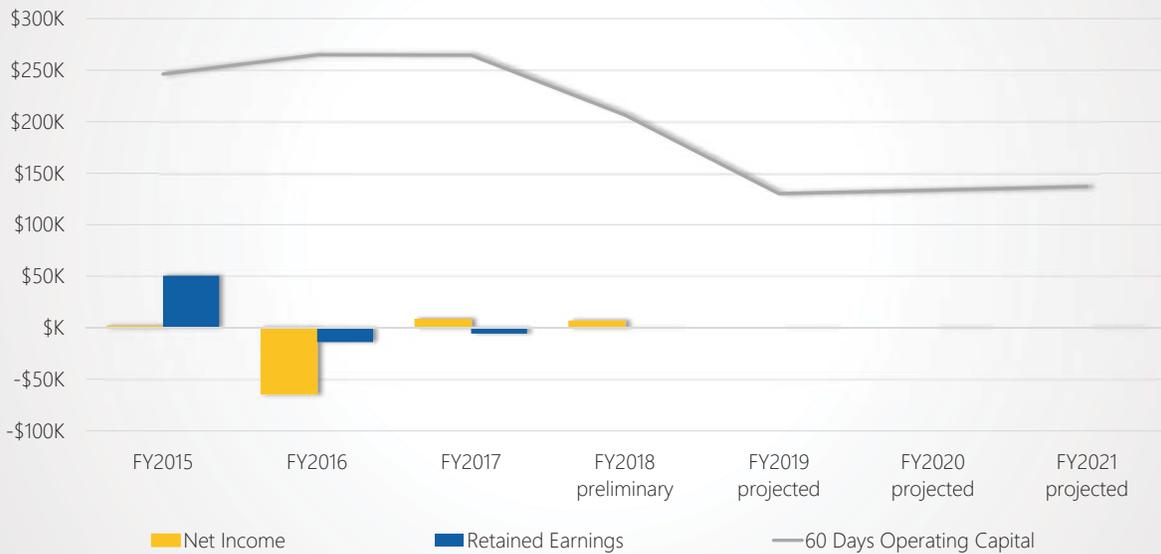


116,975 Processed Transactions

Numbers current as of June 30, 2018

Slide 60

Transactions Team Retained Earnings



Slide 61

Transactions Team Rates

Rate Recommendation
No change to current rate structure



Slide 62

Fleet Operations Rate Committee Action

DAS Recommended Actions

Action	Slide Number or Reference	Change
Approve Lease rate modifications	53	(\$807,900)
Approve all other existing rates	H.B. 8 (2018), Lines 2007-2009, 2013-2072	--

2013	DIVISION OF FLEET OPERATIONS	
2014	ISF - Fuel Network	
2015	Charge (per gallon)	0.075
2016	greater than or equal to 60,000 gal./yr	
2017	Charge at low volume sites (per gallon)	0.105
2018	less than 60,000 gal./yr.	
2019	Percentage of transaction value at all sites	3.0%
2020	Accounts receivable late fee	
2021	Past 30 days	5% of balance
2022	Past 60 days	10% of balance
2023	Past 90 days	15% of balance
2024	CNG Maintenance and Depreciation (per gallon)	1.15
2025	ISF - Motor Pool	
2026	Telematics GPS tracking	Actual cost
2027	Commercial Equipment Rental	Cost plus \$12 Fee
2028	Administrative Fee for Do-Not Replace Vehicles (per Month)	51.29
2029	Service Fee (per 12)	\$12 Service Fee
2030	General MP Info Research Fee (per 12)	\$12 Per Hour
2031	Lost or damaged fuel/maint card replacement fee (per 2)	\$2 Fee

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2032	Vehicle Complaint Processing Fee (per 20)	\$20 Fee
2033	Operator negligence and vehicle abuse fees (per 0)	Varies (abuse or driver neglect cases only)
2034	Lease Rate (per month, per vehicle)	See formula
2035	Contract price less salvage value divided by current life cycle.	
2036	Mileage	See formula
2037	Maintenance and repair costs for a particular class of vehicle, divided by	
2038	total miles for that class	
2039	Fuel Pass-through	Actual cost
2040	Equipment rate for Public Safety vehicles	Actual cost
2041	Additional Management	
2042	Daily Pool Rates - Actual Cost From Vendor Contract - Actual Cost	Actual Cost
2043	Administrative Fee for Overhead	42.00
2044	Management Information System (per month)	3.00
2045	Vehicle Feature and Miscellaneous Equipment Upgrade	Actual cost
2046	Vehicle Class Differential Upgrade	Actual cost
2047	Bad Odometer Research	50.00
2048	Operator fault	
2049	Vehicle Detail Cleaning Service	40.00
2050	Excessive Maintenance, Accessory Fee	Variable
2051	Accounts receivable late fee	
2052	Past 30-days	5% of balance
2053	Past 60-days	10% of balance
2054	Past 90-days	15% of balance
2055	Accident deductible rate charged (per accident)	Actual cost
2056	Operator negligence and vehicle abuse	Variable
2057	Statutory Maintenance Non-Compliance	
2058	10 days late (per vehicle per month)	100.00
2059	20 days late (per vehicle per month)	200.00
2060	30+ days late (per vehicle per month)	300.00
2061	Seasonal Use Vehicle Lease	155.02
2062	ISF - Travel Office	
2063	Travel	
2064	Travel Agency Service	
2065	Regular	26.00
2066	Online	16.00
2067	State Agent	21.00
2068	Group	

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2069	16-25 people	23.50
2070	26-45 people	21.00
2071	46+ people	18.50
2072	School District Agent	16.00

2006	DIVISION OF FINANCE	
2007	ISF - Consolidated Budget and Accounting	
2008	Basic Accounting and Transactions (per hour)	40.00
2009	Financial Management (per hour)	73.00

**Pro Forma Financial Statements
Fleet Administration**

8/21/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	61,437	62,836	66,032	61,485	61,485	61,485	61,485
ACCOUNTS RECEIVABLE	0	0	0	0	0	0	0
DUE FROM OTHER FUNDS	0	0	0	467	467	467	467
INVENTORIES							
PREPAID EXPENSES							
TOTAL CURRENT ASSETS	61,437	62,836	66,032	61,952	61,952	61,952	61,952
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS							
CONSTRUCTION IN PROGRESS							
BUILDINGS AND IMPROVEMENTS							
MACHINERY AND EQUIPMENT							
ACCUMULATED DEPRECIATION							
TOTAL CAPITAL ASSETS	0	0	0	0	0	0	0
TOTAL ASSETS	61,437	62,836	66,032	61,952	61,952	61,952	61,952
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	7,798	18,479	21,428	1,844	1,844	1,844	1,844
ACCRUED LIABILITIES	0	0	0	13,982	13,982	13,982	13,982
DEFERRED REVENUE	0	0	0	0	0	0	0
INTERFUND LOAN (Short Term Cash Deficit)							
DUE TO OTHER FUNDS	9,394	112	359	1,881	1,881	1,881	1,881
POLICY CLAIMS LIABILITIES - SHORT TERM							
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	17,192	18,591	21,787	17,707	17,707	17,707	17,707
REVENUE BONDS - LONG TERM							
CAPITAL LEASE PAYABLE-LONG TERM							
CONTRACTS PAYABLE - LONG TERM							
INTERFUND LOAN FROM OTHER FUNDS							
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)							
POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	0	0	0	0	0	0	0
TOTAL LIABILITIES	17,192	18,591	21,787	17,707	17,707	17,707	17,707
CONTRIBUTED CAPITAL	35,169	35,169	35,169	35,169	35,169	35,169	35,169
RETAINED EARNINGS	9,076	9,076	9,076	9,076	9,076	9,076	9,076
TOTAL FUND EQUITY / NET ASSETS	44,245	44,245	44,245	44,245	44,245	44,245	44,245
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	61,437	62,836	66,032	61,952	61,952	61,952	61,952

INCOME STATEMENT

TOTAL OPERATING REVENUES (before proposed rate impacts)							
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	0						
PERSONAL SERVICES	219,526	255,918	446,980	350,817	361,342	372,182	383,347
TRAVEL EXPENSE	588	6,556	8,731	4,390	5,000	5,000	5,000
CURRENT EXPENSE	110,616	89,469	84,297	149,922	140,000	145,000	150,000
CURRENT EXPENSE - DATA PROCESSING	152,871	65,998	63,955	65,148	65,000	65,000	65,000
DEPRECIATION EXPENSE							
OTHER EXPENSES	(483,601)	(417,941)	(603,963)	(570,277)	(571,342)	(587,182)	(603,347)
TOTAL OPERATING EXPENSES	0						
TOTAL OPERATING INCOME (LOSS)	0						
GAIN (LOSS) ON SALE OF FIXED ASSETS							
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT							
OPERATING TRANSFERS IN (OUT)							
NET INCOME (LOSS)	0						

CASH FLOW STATEMENT

BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	139,721	61,437	62,836	66,032	61,485	61,485	61,485
Total Cash from Sales	0	0	0	0	0	0	0
Capital Asset Disposal Proceeds	0	0	0	0	0	0	0
Federal Grants							
State Appropriations							
Other Sources							
TOTAL SOURCES OF CASH	0	0	0	0	0	0	0
Cash Used for Operations	(78,284)	1,399	3,196	(4,547)	0	0	0
Payments for Capital Assets	0	0	0	0	0	0	0
State Appropriations							
Other Uses							
TOTAL USES OF CASH	(78,284)	1,399	3,196	(4,547)	0	0	0
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	61,437	62,836	66,032	61,485	61,485	61,485	61,485

**Pro Forma Financial Statements
Motor Pool**

8/21/2018

Debt to general fund decline (33,317,489) (31,357,629) (27,563,778) (21,799,802) (20,090,203) (18,895,839) (18,237,973)

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS							
ACCOUNTS RECEIVABLE	153,701	89,385	123,327	179,136	150,000	150,000	150,000
DUE FROM OTHER FUNDS	2,515,504	2,564,387	3,158,762	2,795,031	2,800,000	2,800,000	2,800,000
INVENTORIES							
PREPAID EXPENSES			106,617	5,000			
TOTAL CURRENT ASSETS	2,669,205	2,653,772	3,388,706	2,979,167	2,950,000	2,950,000	2,950,000
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS							
VEHICLES	124,556,610	130,102,485	133,671,298	129,779,194	128,279,194	127,279,194	126,279,194
BUILDINGS AND IMPROVEMENTS	173,480	173,480	173,480	173,480	173,480	173,480	173,480
MACHINERY AND EQUIPMENT	219,440	206,240	303,385	416,978	416,978	416,978	416,978
ACCUMULATED DEPRECIATION	(52,409,083)	(55,435,068)	(58,946,237)	(57,149,214)	(57,149,214)	(57,149,214)	(57,149,214)
TOTAL CAPITAL ASSETS	72,540,447	75,047,137	75,201,926	73,220,438	71,720,438	70,720,438	69,720,438
TOTAL ASSETS	75,209,652	77,700,909	78,590,632	76,199,605	74,670,438	73,670,438	72,670,438
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	1,394,413	1,221,898	762,318	1,084,448	750,000	750,000	750,000
ACCRUED LIABILITIES	43,047	0	22,581	33,485	0	0	0
DEFERRED REVENUE	0	0	600,292	1,001,549	1,000,000	1,000,000	1,000,000
INTERFUND LOAN (Short Term Cash Deficit)	16,916,663	15,086,132	15,319,900	15,293,900	15,000,000	15,000,000	15,000,000
DUE TO OTHER FUNDS	101,169	45,087	10,830	1,185	10,000	10,000	10,000
POLICY CLAIMS LIABILITIES - SHORT TERM							
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	18,455,292	16,353,117	16,715,921	17,414,567	16,760,000	16,760,000	16,760,000
REVENUE BONDS - LONG TERM							
CAPITAL LEASE PAYABLE-LONG TERM							
CONTRACTS PAYABLE - LONG TERM							
INTERFUND LOAN FROM OTHER FUNDS							
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)	16,400,826	16,271,497	12,243,878	6,505,902	5,090,203	3,895,839	3,237,973
POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	16,400,826	16,271,497	12,243,878	6,505,902	5,090,203	3,895,839	3,237,973
TOTAL LIABILITIES	34,856,118	32,624,614	28,959,799	23,920,469	21,850,203	20,655,839	19,997,973
CONTRIBUTED CAPITAL	35,586,566	36,981,774	38,337,609	38,933,586	39,533,586	40,133,586	40,733,586
RETAINED EARNINGS	4,766,968	8,094,521	11,293,224	13,345,550	13,286,649	12,881,013	11,938,879
TOTAL FUND EQUITY / NET ASSETS	40,353,534	45,076,295	49,630,833	52,279,136	52,820,235	53,014,599	52,672,465
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	75,209,652	77,700,909	78,590,632	76,199,605	74,670,438	73,670,438	72,670,438

INCOME STATEMENT

TOTAL OPERATING REVENUES (before proposed rate impacts)	29,919,181	28,063,241	29,523,121	32,011,150	31,923,869	31,923,869	31,115,969
Rate Impact						(807,900)	
TOTAL OPERATING REVENUES (after proposed rate impacts)	29,919,181	28,063,241	29,523,121	32,011,150	31,923,869	31,115,969	31,115,969
PERSONAL SERVICES	944,961	845,183	840,783	1,146,767	1,181,170	1,216,605	1,253,103
TRAVEL EXPENSE	1,211	3,781	2,069	4,048	5,000	5,000	5,000
CURRENT EXPENSE	14,114,909	12,029,837	13,221,362	17,032,330	18,000,000	19,000,000	19,500,000
CURRENT EXPENSE - DATA PROCESSING	361,858	328,286	441,448	348,118	400,000	400,000	400,000
DEPRECIATION EXPENSE	11,259,214	11,268,930	11,925,982	11,732,895	11,000,000	11,000,000	11,000,000
OTHER EXPENSES	266,005	238,210	396,661	479,781	396,600	400,000	400,000
TOTAL OPERATING EXPENSES	26,948,158	24,714,227	26,828,305	30,743,939	30,982,770	32,021,605	32,558,103
TOTAL OPERATING INCOME (LOSS)	2,971,023	3,349,014	2,694,816	1,267,211	941,099	(905,636)	(1,442,134)
GAIN (LOSS) ON SALE OF FIXED ASSETS	756,769	(21,461)	503,887	785,115	500,000	500,000	500,000
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT					(1,500,000)		
OPERATING TRANSFERS IN (OUT)							
NET INCOME (LOSS)	3,727,792	3,327,553	3,198,703	2,052,326	(58,901)	(405,636)	(942,134)

CASH FLOW STATEMENT

BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	(41,629,268)	(33,317,489)	(31,357,629)	(27,563,778)	(21,799,802)	(20,090,203)	(18,895,839)
Total Cash from Sales	30,247,687	28,078,674	29,495,095	31,703,228	31,899,702	31,115,969	31,115,969
Capital Asset Disposal Proceeds	4,206,616	3,531,428	3,328,876	5,394,975	5,000,000	5,000,000	5,000,000
Federal Grants							
State Appropriations							
Fleet Expansion	1,272,213	1,395,208	1,355,835	595,977	600,000	600,000	600,000
TOTAL SOURCES OF CASH	35,726,516	33,005,310	34,179,806	37,694,180	37,499,702	36,715,969	36,715,969
Cash Used for Operations	(16,364,599)	(13,716,941)	(15,480,195)	(17,568,935)	(19,790,103)	(21,021,605)	(21,558,103)
Payments for Capital Assets	(11,050,138)	(17,328,509)	(14,905,760)	(14,361,269)	(14,500,000)	(14,500,000)	(14,500,000)
State Appropriations							
Other Uses (federal retained earnings refund)					(1,500,000)		
TOTAL USES OF CASH	(27,414,737)	(31,045,450)	(30,385,955)	(31,930,204)	(35,790,103)	(35,521,605)	(36,058,103)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	(33,317,489)	(31,357,629)	(27,563,778)	(21,799,802)	(20,090,203)	(18,895,839)	(18,237,973)

Ratio of General Fund Debt to Net Book Value of Assets 46% 42% 37% 30% 28% 27% 26%

**Pro Forma Financial Statements
Fuel Network**

8/21/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS							
ACCOUNTS RECEIVABLE	2,271,838	2,026,111	2,041,959	2,309,251	2,200,000	2,200,000	2,200,000
DUE FROM OTHER FUNDS	680,327	614,164	765,043	766,153	765,000	765,000	765,000
INVENTORIES	3,435,564	3,138,898	3,038,898	3,888,898	4,188,898	4,488,898	4,788,898
PREPAID EXPENSES			1,331	11,430			
TOTAL CURRENT ASSETS	6,387,729	5,779,173	5,847,231	6,975,732	7,153,898	7,453,898	7,753,898
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS							
CONSTRUCTION IN PROGRESS							
BUILDINGS AND IMPROVEMENTS	19,167	19,167	19,167	19,167	19,167	19,167	19,167
MACHINERY AND EQUIPMENT	3,780,729	3,780,729	3,769,954	5,762,195	5,862,195	5,962,195	6,062,195
ACCUMULATED DEPRECIATION	(3,237,336)	(3,382,651)	(3,494,313)	(3,731,660)	(3,881,660)	(4,041,660)	(4,211,660)
TOTAL CAPITAL ASSETS	562,560	417,245	294,808	2,049,702	1,999,702	1,939,702	1,869,702
TOTAL ASSETS	6,950,289	6,196,418	6,142,039	9,025,434	9,153,600	9,393,600	9,623,600
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	3,757,816	1,463,280	1,472,587	2,429,148	2,000,000	2,000,000	2,000,000
ACCRUED LIABILITIES	0	0	0	27,656	20,000	20,000	20,000
DEFERRED REVENUE	0	0	0	0	0	0	0
INTERFUND LOAN (Short Term Cash Deficit)	523,468	0	133,437	140,000	140,000	140,000	140,000
DUE TO OTHER FUNDS	80,628	216	29,234	248	5,000	5,000	5,000
POLICY CLAIMS LIABILITIES - SHORT TERM							
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	4,361,912	1,463,496	1,635,258	2,597,052	2,165,000	2,165,000	2,165,000
REVENUE BONDS - LONG TERM							
CAPITAL LEASE PAYABLE-LONG TERM							
CONTRACTS PAYABLE - LONG TERM							
INTERFUND LOAN FROM OTHER FUNDS							
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)	1,430,719	3,933,511	4,445,094	6,285,949	6,674,738	6,758,208	6,857,871
POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	1,430,719	3,933,511	4,445,094	6,285,949	6,674,738	6,758,208	6,857,871
TOTAL LIABILITIES	5,792,631	5,397,007	6,080,352	8,883,001	8,839,738	8,923,208	9,022,871
CONTRIBUTED CAPITAL							
RETAINED EARNINGS	1,157,658	799,411	61,687	142,433	313,862	470,392	600,729
TOTAL FUND EQUITY / NET ASSETS	1,157,658	799,411	61,687	142,433	313,862	470,392	600,729
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	6,950,289	6,196,418	6,142,039	9,025,434	9,153,600	9,393,600	9,623,600

INCOME STATEMENT

TOTAL OPERATING REVENUES (before proposed rate impacts)	31,173,548	24,001,988	24,345,790	27,510,922	28,060,922	28,610,922	29,160,922
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	31,173,548	24,001,988	24,345,790	27,510,922	28,060,922	28,610,922	29,160,922
PERSONAL SERVICES	630,698	660,771	660,132	632,962	651,951	671,509	691,655
TRAVEL EXPENSE	0	0	2,278	36	500	500	500
CURRENT EXPENSE	31,492,480	23,342,065	23,948,909	26,242,198	26,767,042	27,302,383	27,848,430
CURRENT EXPENSE - DATA PROCESSING	62,504	84,311	49,001	40,425	40,000	40,000	40,000
DEPRECIATION EXPENSE	179,082	145,315	122,437	237,347	150,000	160,000	170,000
OTHER EXPENSES	309,964	277,773	300,757	277,208	280,000	280,000	280,000
TOTAL OPERATING EXPENSES	32,674,728	24,510,235	25,083,514	27,430,176	27,889,493	28,454,392	29,030,585
TOTAL OPERATING INCOME (LOSS)	(1,501,180)	(508,247)	(737,724)	80,746	171,429	156,530	130,337
GAIN (LOSS) ON SALE OF FIXED ASSETS							
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT							
OPERATING TRANSFERS IN (OUT)		150,000					
NET INCOME (LOSS)	(1,501,180)	(358,247)	(737,724)	80,746	171,429	156,530	130,337

CASH FLOW STATEMENT

BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	(3,101,336)	(1,954,187)	(3,933,511)	(4,578,531)	(6,425,949)	(6,814,738)	(6,898,208)
Total Cash from Sales	31,654,510	24,313,878	24,179,063	28,362,032	28,359,769	28,910,922	29,460,922
Capital Asset Disposal Proceeds	0	0	0	0	0	0	0
Federal Grants							
State Appropriations		150,000		1,807,584			
Other Sources							
TOTAL SOURCES OF CASH	31,654,510	24,463,878	24,179,063	30,169,616	28,359,769	28,910,922	29,460,922
Cash Used for Operations	(30,493,247)	(26,443,202)	(24,824,083)	(31,832,376)	(28,648,558)	(28,894,392)	(29,460,585)
Payments for Capital Assets	(14,114)	0	0	(184,658)	(100,000)	(100,000)	(100,000)
State Appropriations							
Other Uses							
TOTAL USES OF CASH	(30,507,361)	(26,443,202)	(24,824,083)	(32,017,034)	(28,748,558)	(28,994,392)	(29,560,585)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	(1,954,187)	(3,933,511)	(4,578,531)	(6,425,949)	(6,814,738)	(6,898,208)	(6,997,871)

**Pro Forma Financial Statements
State Travel**

8/21/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	1,095	0	63,676	85,080	99,634	106,013	107,392
ACCOUNTS RECEIVABLE	32,848	42,552	67,768	59,239	60,000	60,000	60,000
DUE FROM OTHER FUNDS			129	1,248			
INVENTORIES							
PREPAID EXPENSES				5,000			
TOTAL CURRENT ASSETS	33,943	42,552	131,573	150,567	159,634	166,013	167,392
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS CONSTRUCTION IN PROGRESS BUILDINGS AND IMPROVEMENTS MACHINERY AND EQUIPMENT ACCUMULATED DEPRECIATION							
TOTAL CAPITAL ASSETS	0	0	0	0	0	0	0
TOTAL ASSETS	33,943	42,552	131,573	150,567	159,634	166,013	167,392
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	32,107	27,755	26,203	22,312	20,000	20,000	20,000
ACCRUED LIABILITIES	0	0	0	4,545	4,545	4,545	4,545
DEFERRED REVENUE							
INTERFUND LOAN (Short Term Cash Deficit)		4,624					
DUE TO OTHER FUNDS	69	151	57	64	64	64	64
POLICY CLAIMS LIABILITIES - SHORT TERM							
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	32,176	32,530	26,260	26,921	24,609	24,609	24,609
REVENUE BONDS - LONG TERM CAPITAL LEASE PAYABLE-LONG TERM CONTRACTS PAYABLE - LONG TERM INTERFUND LOAN FROM OTHER FUNDS INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)							
TOTAL LONG-TERM LIABILITIES	0	0	0	0	0	0	0
TOTAL LIABILITIES	32,176	32,530	26,260	26,921	24,609	24,609	24,609
CONTRIBUTED CAPITAL RETAINED EARNINGS							
TOTAL FUND EQUITY / NET ASSETS	1,767	10,022	105,313	123,646	135,025	141,404	142,783
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	33,943	42,552	131,573	150,567	159,634	166,013	167,392

INCOME STATEMENT

TOTAL OPERATING REVENUES (before proposed rate impacts)	518,518	545,176	600,423	542,203	542,203	542,203	542,203
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	518,518	545,176	600,423	542,203	542,203	542,203	542,203
PERSONAL SERVICES	171,485	175,699	176,620	193,966	196,524	196,524	196,524
TRAVEL EXPENSE	1,226	611	332	136	300	300	300
CURRENT EXPENSE	335,178	343,729	319,453	321,000	325,000	330,000	335,000
CURRENT EXPENSE - DATA PROCESSING	11,435	11,377	4,797	5,161	5,000	5,000	5,000
DEPRECIATION EXPENSE							
OTHER EXPENSES	6,813	5,505	3,929	3,607	4,000	4,000	4,000
TOTAL OPERATING EXPENSES	526,137	536,921	505,131	523,870	530,824	535,824	540,824
TOTAL OPERATING INCOME (LOSS)	(7,619)	8,255	95,292	18,333	11,379	6,379	1,379
GAIN (LOSS) ON SALE OF FIXED ASSETS INTEREST INCOME INTEREST EXPENSE FEDERAL GRANTS RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT OPERATING TRANSFERS IN (OUT)							
NET INCOME (LOSS)	(7,619)	8,255	95,292	18,333	11,379	6,379	1,379

CASH FLOW STATEMENT

BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	12,369	1,095	(4,624)	63,676	85,080	99,634	106,013
Total Cash from Sales Capital Asset Disposal Proceeds Federal Grants State Appropriations Other Sources							
TOTAL SOURCES OF CASH	515,387	535,473	575,077	534,793	541,716	542,203	542,203
Cash Used for Operations Payments for Capital Assets State Appropriations Other Uses							
TOTAL USES OF CASH	(526,661)	(541,192)	(506,777)	(513,389)	(527,162)	(535,824)	(540,824)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	1,095	(4,624)	63,676	85,080	99,634	106,013	107,392

Pro Forma Financial Statements

8/21/2018

Transactions Team (Previously the Consolidated Budget & Accounting Team in State Finance)

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	102,186	27,847	13,391	5,192	10,192	10,192	10,192
ACCOUNTS RECEIVABLE		0		0	0	0	0
DUE FROM OTHER FUNDS	48,314	47,036	57,551	32,793	32,793	32,793	32,793
INVENTORIES							
PREPAID EXPENSES				5,000			
TOTAL CURRENT ASSETS	150,500	74,883	70,942	42,985	42,985	42,985	42,985
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS CONSTRUCTION IN PROGRESS BUILDINGS AND IMPROVEMENTS MACHINERY AND EQUIPMENT ACCUMULATED DEPRECIATION							
TOTAL CAPITAL ASSETS	0	0	0	0	0	0	0
TOTAL ASSETS	150,500	74,883	70,942	42,985	42,985	42,985	42,985
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE & ACCRUED LIABILITIES	99,449	88,102	74,482	42,008	42,008	42,008	42,008
DEFERRED REVENUE		0	0	0	0	0	0
INTERFUND LOAN (Short Term Cash Deficit)		0	0	0	0	0	0
DUE TO OTHER FUNDS	500	611	2,154	192	192	192	192
POLICY CLAIMS LIABILITIES - SHORT TERM							
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	99,949	88,713	76,636	42,200	42,200	42,200	42,200
REVENUE BONDS - LONG TERM CAPITAL LEASE PAYABLE-LONG TERM CONTRACTS PAYABLE - LONG TERM INTERFUND LOAN FROM OTHER FUNDS INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit) POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	0	0	0	0	0	0	0
TOTAL LIABILITIES	99,949	88,713	76,636	42,200	42,200	42,200	42,200
CONTRIBUTED CAPITAL RETAINED EARNINGS							
TOTAL FUND EQUITY / NET ASSETS	50,551	(13,830)	(5,694)	785	785	785	785
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	150,500	74,883	70,942	42,985	42,985	42,985	42,985

INCOME STATEMENT

TOTAL OPERATING REVENUES (before proposed rate impacts)	1,478,517	1,524,375	1,594,880	1,244,514	781,000	801,400	822,412
Rate Impact			0				
TOTAL OPERATING REVENUES (after proposed rate impacts)	1,478,517	1,524,375	1,594,880	1,244,514	781,000	801,400	822,412
PERSONAL SERVICES	1,401,754	1,493,470	1,489,525	1,136,532	680,000	700,400	721,412
TRAVEL EXPENSE		0	0	0	0	0	0
CURRENT EXPENSE	35,435	43,526	46,939	43,235	45,000	45,000	45,000
CURRENT EXPENSE - DATA PROCESSING	39,723	38,496	44,480	52,360	50,000	50,000	50,000
DEPRECIATION EXPENSE		0	0	0	0	0	0
OTHER EXPENSES	0	13,264	5,800	5,908	6,000	6,000	6,000
TOTAL OPERATING EXPENSES	1,476,912	1,588,756	1,586,744	1,238,035	781,000	801,400	822,412
TOTAL OPERATING INCOME (LOSS)	1,605	(64,381)	8,136	6,479	0	0	0
GAIN (LOSS) ON SALE OF FIXED ASSETS							
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT							
OPERATING TRANSFERS IN (OUT)							
NET INCOME (LOSS)	1,605	(64,381)	8,136	6,479	0	0	0

CASH FLOW STATEMENT

BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	107,119	102,186	27,847	13,391	5,192	10,192	10,192
Total Cash from Sales	1,472,737	1,525,653	1,584,365	1,219,756	781,000	801,400	822,412
Capital Asset Disposal Proceeds	0	0	0	0	0	0	0
Federal Grants							
State Appropriations							
Other Sources							
TOTAL SOURCES OF CASH	1,472,737	1,525,653	1,584,365	1,219,756	781,000	801,400	822,412
Cash Used for Operations	(1,477,670)	(1,599,992)	(1,598,821)	(1,227,955)	(776,000)	(801,400)	(822,412)
Payments for Capital Assets	0	0	0	0	0	0	0
State Appropriations							
Other Uses							
TOTAL USES OF CASH	(1,477,670)	(1,599,992)	(1,598,821)	(1,227,955)	(776,000)	(801,400)	(822,412)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	102,186	27,847	13,391	5,192	10,192	10,192	10,192

Division of Purchasing and General Services

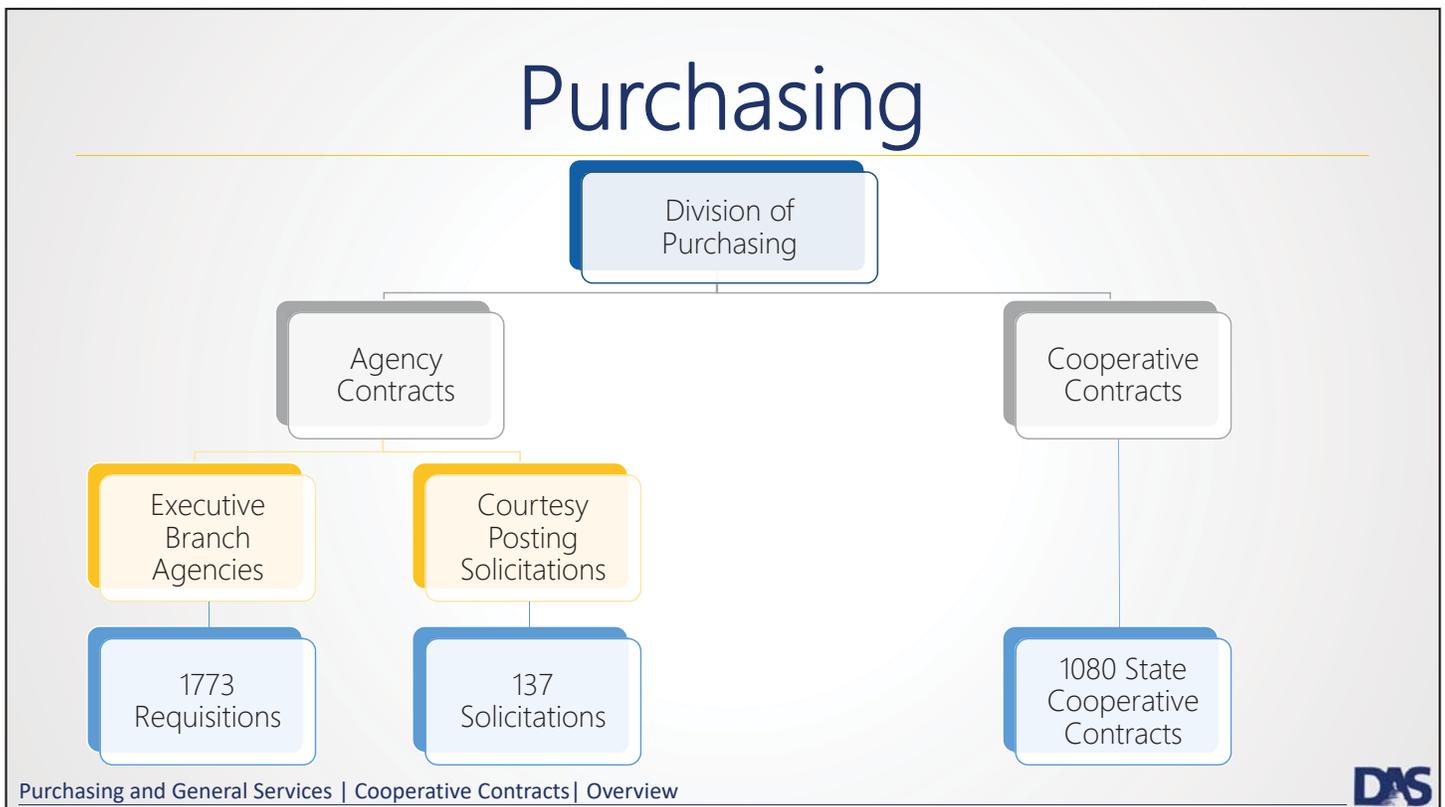
Risk Management
Finance
Facilities Construction and Management
Fleet Operations

Purchasing and General Services

Cooperative Contracts
State/Federal Surplus Property
Print Services
Mail and Distribution Services



Slide 64



Slide 65

State Cooperative Contract Program

Benefits of State Cooperative Contracts



Some of the best pricing in the nation



Save public entities time in procurement of goods and services



Better contractual terms for public entities

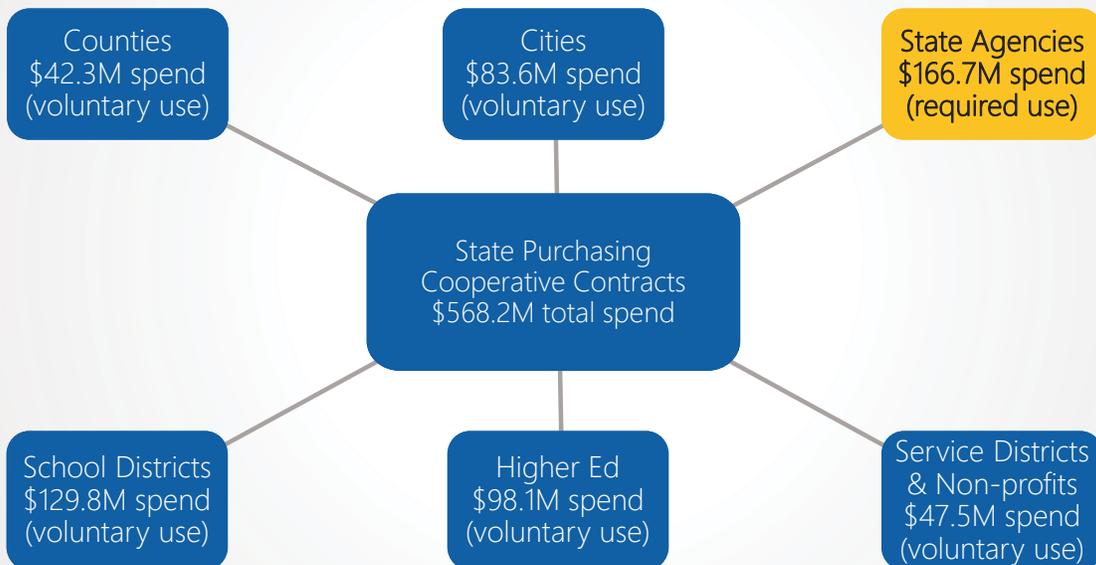


Compliant with the Utah Procurement Code

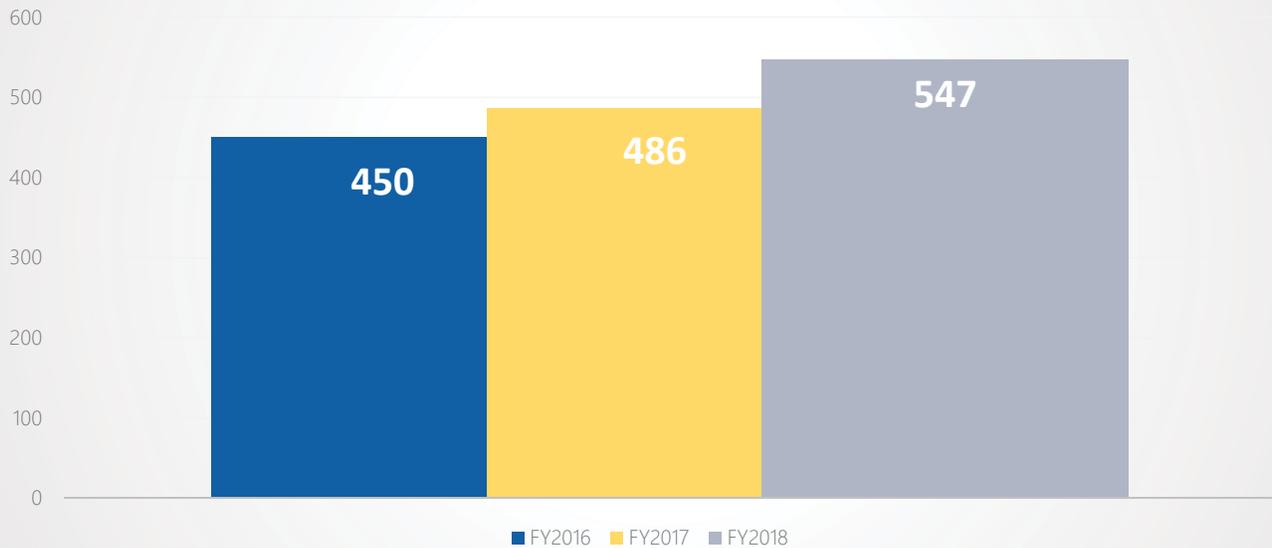


Save public entities administrative costs in managing contracts

Cooperative Contracts Total Spend



Public Entities Using State Purchasing's Cooperative Contracts



Purchasing and General Services | Cooperative Contracts | Total Number of Users



Slide 68

Cooperative Contracts Approved Rate

FY2018 Rate Structure

1%

Maximum approved fee

.35%

Average administrative fee

Note: National average for cooperative organizations, like State Purchasing, is a 1.63% administrative fee.

Purchasing and General Services | Cooperative Contracts | Current Rates



Slide 69

Cooperative Contracts Retained Earnings



* \$1 million was transferred to State Mail and Print Services to help lower debt.



Slide 70

Cooperative Contracts Retained Earnings

A higher-than-normal retained earnings balance is needed to keep the cooperative contracting program functioning in the event of an economic downturn. Because so many state and non-state public entities are reliant on the use of state contracts, sufficient reserves must be maintained.



Slide 71

Cooperative Contracts Rates

Rate Recommendation

No change to current rate structure

Slide 72

State/Federal Surplus Property Programs

FY 2018



\$6,076,517

Returned to agencies through the state surplus program



\$536,000

Saved Utah law enforcement agencies through the 1033 program



\$785,650

Saved Utah governmental agencies through the Federal Donation Program

Slide 73

State Surplus Property Retained Earnings



Purchasing and General Services | State/Federal Surplus Property | Retained Earnings



Slide 74

Federal Surplus Property Retained Earnings



Purchasing and General Services | State/Federal Surplus Property | Retained Earnings



Slide 75

Future Considerations



State Surplus will need to relocate from its Draper facility in the next few years as the land by the State Prison is developed.

Currently, the Draper facility is on a 10 acre plot of land with a 25,000 square foot building to store surplus items. Vehicles and heavy equipment are stored outside of the building

The revenue bond on the Draper facility will finish in FY2019.

Slide 76

State/Federal Surplus Property Rates

Rate Recommendation

No change to current rate structure

Slide 77

Print Services Program

Digital Print Services (Copier Lease Program)



59,337,848
impressions



1,222
copiers in the program



Average lifecycle is 2 years
longer than national average

FY 2018

State Copy Center (Xerox Contract)



100% accuracy



100% on-time delivery



1,267
print jobs



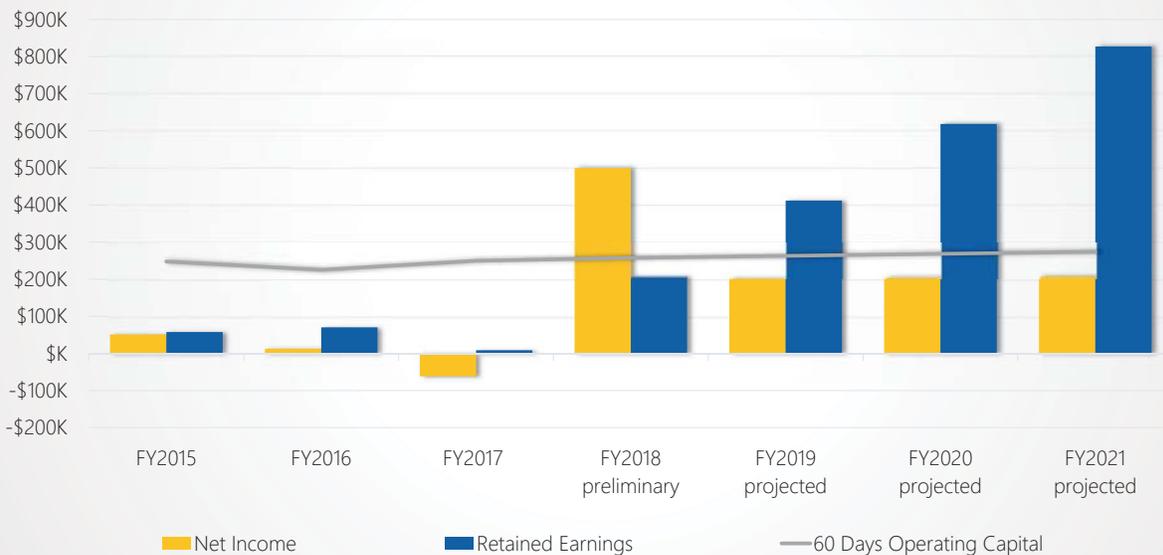
5,571,188
impressions

Purchasing and General Services | Print Services



Slide 78

Print Services Retained Earnings



Purchasing and General Services | Print Services | Retained Earnings



Slide 79

Print Services Rates

Rate Recommendation

No change to current rate structure

Slide 80

Mail and Distribution Services Program

FY 2018



21,742,737
Pieces of mail
processed



\$1,323,626
Cost Avoidance by
State Mail for
processing mail for
USPS



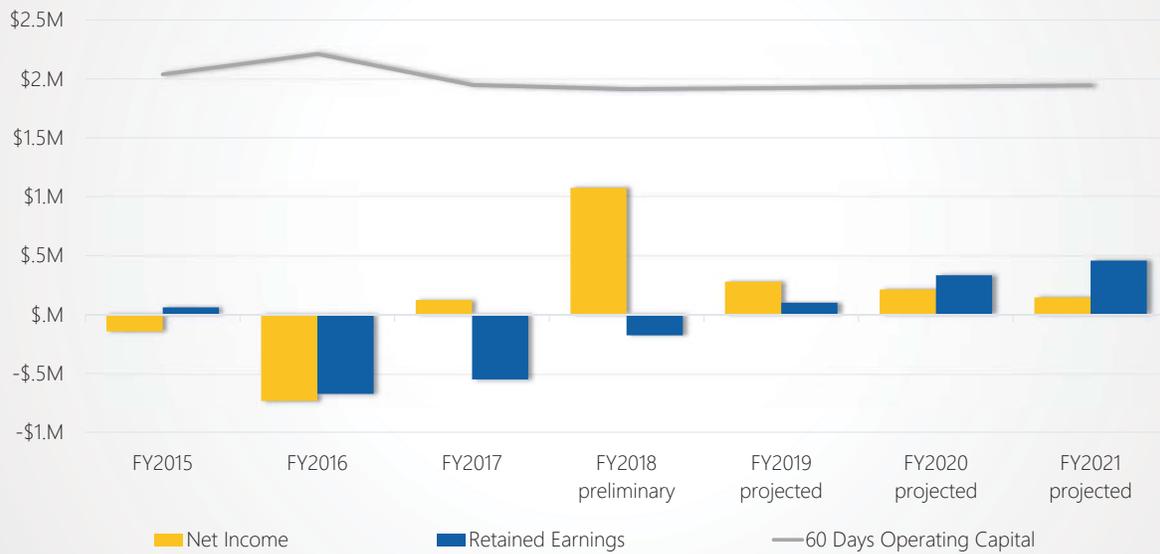
68,386,506
Billable Production
Tasks Completed



99% of Production
Tasks are completed on
time

Slide 81

State Mail Retained Earnings



Purchasing and General Services | Mail and Production Services | Retained Earnings



Slide 82

Mail and Distribution Rates

Rate Recommendation
No change to current rate structure

Purchasing and General Services | Mail and Production Services | Rate Recommendation



Slide 83

Purchasing and General Services Rate Committee Action

DAS Recommended Actions

Action	Slide Number or Reference	Change
Approve all existing rates	H.B. 8 (2018) Lines 2073-2148	--

2073	DIVISION OF PURCHASING AND GENERAL SERVICES	
2074	ISF - Central Mailing	
2075	State Mail	
2076	Courier	
2077	Courier - Zone 1	2.26
2078	Courier - Zone 2	3.88
2079	Courier - Zone 3	8.04
2080	Courier - Zone 4	9.70
2081	Courier - Zone 5	14.35
2082	Courier - Zone 6	17.79
2083	Courier - Zone 7	21.73
2084	Courier - Zone 8	26.42
2085	Courier - Zone 9	28.49
2086	Courier - Zone 10	33.22
2087	Courier - Zone 11	36.02
2088	Courier - Zone 12	39.87
2089	Production	
2090	Incoming OCR Sort	0.103
2091	Business Reply/Postage Due	0.54
2092	Special Handling/Labor (per hour)	85.00
2093	Auto Fold	0.024
2094	Label Generate	0.155
2095	Label Apply	0.15
2096	Auto Tab	0.35
2097	Meter/Seal	0.028
2098	Optical Character Reader	0.028
2099	Additional Insert	0.01
2100	Accountable Mail	1.45
2101	Intelligent Inserting	0.033
2102	ISF - Cooperative Contracting	
2103	Cooperative Contracts Administrative	Up to 1.0%
2104	ISF - Federal Surplus Property	
2105	Surplus	

H.B. 8**Enrolled Copy**

2106	Federal Shipping and handling charges	See formula
2107	Not to exceed 20% of federal acquisition cost plus freight/shipping	
2108	charges	
2109	Accounts receivable late fees	
2110	Past 30 days	5% of balance
2111	Past 60 days	10% of balance
2112	ISF - Print Services	
2113	Contract Management (per impression)	0.005
2114	Self Service Copy Rates	0.004
2115	Cost computed by: (Depreciation + Maintenance + Supplies)/Impressions	
2116	+ copy multiplied impressions results	
2117	ISF - State Surplus Property	
2118	Surplus	
2119	Surcharge for use of a Financial Transaction Card	Up to 3%
2120	Surcharge applies only to the amount charged to a financial transaction	
2121	card	
2122	Online Sales Non-Vehicle	50% of net proceeds
2123	Miscellaneous Property Pick-up Process	
2124	State Agencies	
2125	Total Sales Proceeds	See formula
2126	Less prorated rebate of retained earnings	
2127	Handheld Devices (PDAs and wireless phones)	
2128	Less than 1 year old	75% of actual cost
2129	\$30 minimum	
2130	1 year and older	50% of cost - \$30 minimum
2131	Unique Property Processing	Negotiated % of sales price
2132	Electronic/Hazardous Waste Recycling	Actual cost
2133	Vehicles and Heavy Equipment	6.5% of Net Sale Price plus \$100 per Vehicle
2134	Default Auction Bids	10% of sales price
2135	Labor (per hour)	26.00
2136	Half hour minimum	
2137	Copy Rates (per copy)	0.10
2138	Semi Truck and Trailer Service (per mile)	1.08
2139	Two-ton Flat Bed Service (per mile)	0.61
2140	Forklift Service (per hour)	23.00
2141	4-6000 lbs	
2142	On-site sale away from Utah State Agency Surplus Property yard	7% of net sale price

Enrolled Copy**H.B. 8**

2143	Storage	
2144	Building (per cubic foot per month)	0.43
2145	Fenced lot (per square foot per month)	0.23
2146	Accounts receivable late fees	
2147	Past 30 days	5% of balance
2148	Past 60 days	10% of balance

**Pro Forma Financial Statements
Cooperative Contracts**

8/21/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	2,678,738	2,114,225	2,810,355	2,688,025	3,635,988	4,557,084	5,449,710
ACCOUNTS RECEIVABLE	840,290	928,365	968,923	1,376,548	1,410,962	1,446,236	1,482,392
DUE FROM OTHER FUNDS	0	0	1,118	610,932	610,932	610,932	610,932
INVENTORIES	0	0	0	0	0	0	0
PREPAID EXPENSES	0	0	0	600	600	600	600
TOTAL CURRENT ASSETS	3,519,028	3,042,590	3,780,396	4,676,105	5,658,482	6,614,852	7,543,634
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS CONSTRUCTION IN PROGRESS BUILDINGS AND IMPROVEMENTS MACHINERY AND EQUIPMENT SOFTWARE							
ACCUMULATED DEPRECIATION		1,095,412	1,095,412	1,341,912	1,341,912	1,341,912	1,341,912
		(59,260)	(278,041)	(511,710)	(745,380)	(979,050)	(1,212,720)
TOTAL CAPITAL ASSETS	0	1,036,152	817,371	830,202	596,532	362,862	129,192
TOTAL ASSETS	3,519,028	4,078,742	4,597,767	5,506,307	6,255,014	6,977,714	7,672,826
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE & ACCRUED LIABILITIES	384,745	155,764	313,082	181,271	181,271	181,271	181,271
DEFERRED REVENUE	0	0	0	0	0	0	0
INTERFUND LOAN (Short Term Cash Deficit)	0	0	0	0	0	0	0
DUE TO OTHER FUNDS	39,648	38,407	31,728	1,207,633	1,207,633	1,207,633	1,207,633
POLICY CLAIMS LIABILITIES - SHORT TERM	0	0	0	0	0	0	0
CAPITAL LEASE PAYABLE-SHORT TERM	0	0	0	0	0	0	0
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	424,393	194,171	344,810	1,388,904	1,388,904	1,388,904	1,388,904
REVENUE BONDS - LONG TERM CAPITAL LEASE PAYABLE-LONG TERM CONTRACTS PAYABLE - LONG TERM INTERFUND LOAN FROM OTHER FUNDS INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit) POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	0	0	0	0	0	0	0
TOTAL LIABILITIES	424,393	194,171	344,810	1,388,904	1,388,904	1,388,904	1,388,904
CONTRIBUTED CAPITAL RETAINED EARNINGS							
TOTAL FUND EQUITY / NET ASSETS	3,094,635	3,884,571	4,252,957	4,117,403	4,866,110	5,588,810	6,283,922
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	3,519,028	4,078,742	4,597,767	5,506,307	6,255,014	6,977,714	7,672,826

	(0)	(0)	(0)	(0)	0	0	0
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	3,509,397	3,752,419	3,677,807	4,129,953	4,000,000	4,040,000	4,080,400
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	3,509,397	3,752,419	3,677,807	4,129,953	4,000,000	4,040,000	4,080,400
PERSONAL SERVICES	2,023,455	2,023,144	2,164,523	2,136,161	2,200,246	2,266,253	2,334,241
TRAVEL EXPENSE	6,938	9,890	17,688	17,172	17,172	17,172	17,172
CURRENT EXPENSE	626,887	419,118	382,132	51,195	51,195	51,195	51,195
CURRENT EXPENSE - DATA PROCESSING	92,743	73,903	142,186	352,296	352,296	352,296	352,296
DEPRECIATION EXPENSE	59,260	59,260	218,781	233,670	233,670	233,670	233,670
OTHER EXPENSES	5,867	377,168	384,112	396,714	396,714	396,714	396,714
TOTAL OPERATING EXPENSES	2,755,890	2,962,483	3,309,422	3,187,208	3,251,293	3,317,300	3,385,288
TOTAL OPERATING INCOME (LOSS)	753,507	789,936	368,385	942,745	748,707	722,700	695,112
GAIN (LOSS) ON SALE OF FIXED ASSETS INTEREST INCOME INTEREST EXPENSE FEDERAL GRANTS / OTHER INCOME							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT			(197,950)	(78,298)			
OPERATING TRANSFERS IN (OUT)	(1,900,000)			(1,000,000)			
NET INCOME (LOSS)	(965,628)	789,936	170,435	(135,553)	748,707	722,700	695,112

	3,734,999	2,678,738	2,114,225	2,810,355	2,688,025	3,635,988	4,557,084
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	3,734,999	2,678,738	2,114,225	2,810,355	2,688,025	3,635,988	4,557,084
Total Cash from Sales Capital Asset Disposal Proceeds Federal Grants State Appropriations Other Sources							
TOTAL SOURCES OF CASH	3,271,770	3,664,344	3,175,089	3,520,139	4,000,000	4,040,000	4,080,400
Cash Used for Operations Payments for Capital Assets State Appropriations Other Uses							
TOTAL USES OF CASH	(4,328,031)	(4,228,857)	(2,478,959)	(3,642,469)	(3,052,037)	(3,118,904)	(3,187,774)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	2,678,738	2,114,225	2,810,355	2,688,025	3,635,988	4,557,084	5,449,710

**Pro Forma Financial Statements
State Surplus Property**

8/21/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	0	25,672	0	59,055	55,053	134,643	199,861
ACCOUNTS RECEIVABLE	0	0	0	0	0	0	0
DUE FROM OTHER FUNDS	15,311	(3,944)	(24,045)	8,559	0	0	0
INVENTORIES	0	0	0	0	0	0	0
PREPAID EXPENSES	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS	15,311	21,728	(24,045)	67,614	55,053	134,643	199,861
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM	14,445	8,962	5,054	2,749			
TOTAL OTHER ASSETS	14,445	8,962	5,054	2,749	0	0	0
LAND / LAND IMPROVEMENTS							
CONSTRUCTION IN PROGRESS							
BUILDINGS AND IMPROVEMENTS	1,202,035	1,202,035	1,202,035	1,202,035	1,202,035	1,202,035	1,202,035
MACHINERY AND EQUIPMENT	34,720	34,720	34,720	34,720	34,720	34,720	34,720
SOFTWARE	85,023	85,023	85,023	85,023	85,023	85,023	85,023
ACCUMULATED DEPRECIATION	(625,162)	(658,612)	(690,943)	(723,210)	(755,210)	(787,210)	(819,210)
TOTAL CAPITAL ASSETS	696,616	663,166	630,835	598,568	566,568	534,568	502,568
TOTAL ASSETS	726,372	693,856	611,844	668,931	621,621	669,211	702,429
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	24,240	16,783	16,076	11,362	15,000	15,000	15,000
ACCRUED LIABILITIES	1,900	6,004	3,204	10,262	5,000	5,000	5,000
DEFERRED REVENUE	77,167	112,789	110,545	128,464	120,000	120,000	120,000
INTERFUND LOAN (Short Term Cash Deficit)	0	0	27,658	0	0	0	0
DUE TO OTHER FUNDS	5,807	93,450	95,935	52,915	50,000	50,000	50,000
POLICY CLAIMS LIABILITIES - SHORT TERM	0	0	0	0	0	0	0
CAPITAL LEASE PAYABLE-SHORT TERM	0	0	0	0	0	0	0
REVENUE BONDS - SHORT TERM	99,078	100,926	100,926	100,926	0	0	0
TOTAL CURRENT LIABILITIES	208,192	329,952	354,344	303,929	190,000	190,000	190,000
REVENUE BONDS - LONG TERM	250,211	146,793	44,491	(6,929)	0	0	0
CAPITAL LEASE PAYABLE-LONG TERM							
CONTRACTS PAYABLE - LONG TERM							
INTERFUND LOAN FROM OTHER FUNDS							
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)	22,941	0	0	0	0	0	0
POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	273,152	146,793	44,491	(6,929)	0	0	0
TOTAL LIABILITIES	481,344	476,745	398,835	297,000	190,000	190,000	190,000
CONTRIBUTED CAPITAL	17,092	17,092	17,092	17,092	17,092	17,092	17,092
RETAINED EARNINGS	227,936	200,019	195,917	354,839	414,529	462,119	495,337
TOTAL FUND EQUITY / NET ASSETS	245,028	217,111	213,009	371,931	431,621	479,211	512,429
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	726,372	693,856	611,844	668,931	621,621	669,211	702,429

	(0)	(0)	(0)	(0)	0	0	0
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	429,510	518,515	561,227	817,194	689,211	689,211	689,211
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	429,510	518,515	561,227	817,194	689,211	689,211	689,211
PERSONAL SERVICES	256,304	284,345	280,189	294,486	303,321	312,420	321,793
TRAVEL EXPENSE	0	441	5	0	200	200	200
CURRENT EXPENSE	162,867	163,831	177,038	229,599	210,000	215,000	220,000
CURRENT EXPENSE - DATA PROCESSING	79,572	50,476	66,361	95,893	80,000	80,000	80,000
DEPRECIATION EXPENSE	35,429	33,450	32,331	32,267	32,000	32,000	32,000
OTHER EXPENSES	3,914	3,709	2,511	1,635	2,000	2,000	2,000
TOTAL OPERATING EXPENSES	538,086	536,252	558,435	653,880	627,521	641,620	655,993
TOTAL OPERATING INCOME (LOSS)	(108,576)	(17,737)	2,792	163,314	61,690	47,590	33,218
GAIN (LOSS) ON SALE OF FIXED ASSETS							
INTEREST INCOME							
INTEREST EXPENSE	(11,562)	(9,350)	(6,894)	(4,392)	(2,000)	0	0
FEDERAL GRANTS							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT		(830)					
OPERATING TRANSFERS IN (OUT)							
NET INCOME (LOSS)	(120,138)	(27,917)	(4,102)	158,922	59,690	47,590	33,218

CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	118,105	(22,941)	25,672	(27,658)	59,055	55,053	134,643
Total Cash from Sales	525,055	573,392	579,084	784,590	697,770	689,211	689,211
Capital Asset Disposal Proceeds	0	0	0	0	0	0	0
Federal Grants							
State Appropriations							
Other Sources							
TOTAL SOURCES OF CASH	525,055	573,392	579,084	784,590	697,770	689,211	689,211
Cash Used for Operations	(666,101)	(523,949)	(632,414)	(697,877)	(701,772)	(609,620)	(623,993)
Payments for Capital Assets	0	0	0	0	0	0	0
State Appropriations							
Other Uses		(830)					
TOTAL USES OF CASH	(666,101)	(524,779)	(632,414)	(697,877)	(701,772)	(609,620)	(623,993)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	(22,941)	25,672	(27,658)	59,055	55,053	134,643	199,861

**Pro Forma Financial Statements
Federal Surplus Property**

8/21/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	88,153	81,711	117,024	73,786	60,637	47,737	34,837
ACCOUNTS RECEIVABLE	2,602	4,860	0	0	0	0	0
DUE FROM OTHER FUNDS	0	0	0	0	0	0	0
INVENTORIES	0	0	0	0	0	0	0
PREPAID EXPENSES	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS	90,755	86,571	117,024	73,786	60,637	47,737	34,837
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS CONSTRUCTION IN PROGRESS BUILDINGS AND IMPROVEMENTS MACHINERY AND EQUIPMENT							
ACCUMULATED DEPRECIATION	(33,833)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
TOTAL CAPITAL ASSETS	1,167	0	0	0	0	0	0
TOTAL ASSETS	91,922	86,571	117,024	73,786	60,637	47,737	34,837
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	225	88	5,027	737	1,000	1,000	1,000
ACCRUED LIABILITIES	0	0	0	2,490	2,000	2,000	2,000
DEFERRED REVENUE	0	0	0	0	0	0	0
INTERFUND LOAN (Short Term Cash Deficit)	0	0	0	0	0	0	0
DUE TO OTHER FUNDS	2	1	0	22	0	0	0
POLICY CLAIMS LIABILITIES - SHORT TERM	0	0	0	0	0	0	0
CAPITAL LEASE PAYABLE-SHORT TERM	0	0	0	0	0	0	0
REVENUE BONDS - SHORT TERM	0	0	0	0	0	0	0
TOTAL CURRENT LIABILITIES	227	89	5,027	3,249	3,000	3,000	3,000
REVENUE BONDS - LONG TERM CAPITAL LEASE PAYABLE-LONG TERM CONTRACTS PAYABLE - LONG TERM INTERFUND LOAN FROM OTHER FUNDS INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit) POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	0	0	0	0	0	0	0
TOTAL LIABILITIES	227	89	5,027	3,249	3,000	3,000	3,000
CONTRIBUTED CAPITAL RETAINED EARNINGS							
TOTAL FUND EQUITY / NET ASSETS	91,695	86,482	111,997	70,537	57,637	44,737	31,837
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	91,922	86,571	117,024	73,786	60,637	47,737	34,837

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	37,946	20,563	84,886	44,921	65,000	65,000	65,000
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	37,946	20,563	84,886	44,921	65,000	65,000	65,000
PERSONAL SERVICES	2,580	9,399	36,389	66,277	60,000	60,000	60,000
TRAVEL EXPENSE			1,314	2,995	2,500	2,500	2,500
CURRENT EXPENSE	12,888	14,144	13,206	16,756	15,000	15,000	15,000
CURRENT EXPENSE - DATA PROCESSING	5,708	377	5,460	0	0	0	0
DEPRECIATION EXPENSE	7,000	1,167	0	0	0	0	0
OTHER EXPENSES	689	689	512	353	400	400	400
TOTAL OPERATING EXPENSES	28,176	25,776	56,881	86,381	77,900	77,900	77,900
TOTAL OPERATING INCOME (LOSS)	9,770	(5,213)	28,005	(41,460)	(12,900)	(12,900)	(12,900)
GAIN (LOSS) ON SALE OF FIXED ASSETS							
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT			(2,490)				
OPERATING TRANSFERS IN (OUT)							
NET INCOME (LOSS)	9,770	(5,213)	25,515	(41,460)	(12,900)	(12,900)	(12,900)

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	73,974	88,153	81,711	117,024	73,786	60,637	47,737
Total Cash from Sales	35,344	18,305	89,746	44,921	65,000	65,000	65,000
Capital Asset Disposal Proceeds	0	0	0	0	0	0	0
Federal Grants							
State Appropriations							
Other Sources							
TOTAL SOURCES OF CASH	35,344	18,305	89,746	44,921	65,000	65,000	65,000
Cash Used for Operations	(21,165)	(24,747)	(51,943)	(88,159)	(78,149)	(77,900)	(77,900)
Payments for Capital Assets	0	0	0	0	0	0	0
State Appropriations							
Other Uses- retained earnings federal refund			(2,490)				
TOTAL USES OF CASH	(21,165)	(24,747)	(54,433)	(88,159)	(78,149)	(77,900)	(77,900)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	88,153	81,711	117,024	73,786	60,637	47,737	34,837

**Pro Forma Financial Statements
Print Services**

8/21/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	0	0	0	0			
ACCOUNTS RECEIVABLE	50,975	26,755	33,238	32,156	32,156	32,156	32,156
DUE FROM OTHER FUNDS	221,892	205,250	52,625	259,726	259,726	259,726	259,726
INVENTORIES	0	0	0	0	0	0	0
PREPAID EXPENSES	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS	272,867	232,005	85,863	291,882	291,882	291,882	291,882
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS							
CONSTRUCTION IN PROGRESS							
BUILDINGS AND IMPROVEMENTS	15,394	15,394	15,394	15,394	15,394	15,394	15,394
MACHINERY AND EQUIPMENT	10,060,470	9,895,420	9,932,250	10,241,897	10,241,897	10,261,897	10,281,897
ACCUMULATED DEPRECIATION	(7,657,166)	(7,566,006)	(7,908,142)	(7,597,189)	(7,607,189)	(7,617,189)	(7,627,189)
TOTAL CAPITAL ASSETS	2,418,698	2,344,808	2,039,502	2,660,102	2,650,102	2,660,102	2,670,102
TOTAL ASSETS	2,691,565	2,576,813	2,125,365	2,951,984	2,941,984	2,951,984	2,961,984
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE & ACCRUED LIABILITIES	330,738	154,252	282,779	133,578	133,578	133,578	133,578
DEFERRED REVENUE	0	0	0	0	0	0	0
INTERFUND LOAN (Short Term Cash Deficit)	647,762	696,818	178,396	648,562	434,957	238,354	39,460
DUE TO OTHER FUNDS	86	75	237	5,978	5,978	5,978	5,978
POLICY CLAIMS LIABILITIES - SHORT TERM	0	0	0	0	0	0	0
CAPITAL LEASE PAYABLE-SHORT TERM	0	0	0	0	0	0	0
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	978,586	851,145	461,412	788,118	574,513	377,910	179,016
REVENUE BONDS - LONG TERM							
CAPITAL LEASE PAYABLE-LONG TERM							
CONTRACTS PAYABLE - LONG TERM							
INTERFUND LOAN FROM OTHER FUNDS							
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)							
POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	0	0	0	0	0	0	0
TOTAL LIABILITIES	978,586	851,145	461,412	788,118	574,513	377,910	179,016
CONTRIBUTED CAPITAL	1,655,453	1,655,453	1,655,453	1,955,453	1,955,453	1,955,453	1,955,453
RETAINED EARNINGS	57,526	70,215	8,500	208,413	412,017	618,621	827,515
TOTAL FUND EQUITY / NET ASSETS	1,712,979	1,725,668	1,663,953	2,163,866	2,367,470	2,574,074	2,782,968
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	2,691,565	2,576,813	2,125,365	2,951,984	2,941,983	2,951,984	2,961,984
	(0)	(0)	(0)	(0)	(0)	0	0
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	2,807,257	2,547,531	2,540,698	2,725,161	2,725,161	2,725,161	2,725,161
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	2,807,257	2,547,531	2,540,698	2,725,161	2,725,161	2,725,161	2,725,161
PERSONAL SERVICES	207,893	217,175	201,643	175,971	181,250	186,688	192,288
TRAVEL EXPENSE	1,503	2,121	2,252	986	986	986	986
CURRENT EXPENSE	1,246,523	1,105,056	1,263,699	1,336,455	1,363,184	1,390,448	1,418,257
CURRENT EXPENSE - DATA PROCESSING	1,860	2,027	8,491	7,972	7,972	7,972	7,972
DEPRECIATION EXPENSE	1,280,148	1,194,014	1,131,437	1,015,586	979,886	944,186	908,486
OTHER EXPENSES	28,408	24,055	22,750	23,827	23,827	23,827	23,827
TOTAL OPERATING EXPENSES	2,766,335	2,544,448	2,630,272	2,560,797	2,557,105	2,554,106	2,551,816
TOTAL OPERATING INCOME (LOSS)	40,922	3,083	(89,574)	164,364	168,056	171,055	173,345
GAIN (LOSS) ON SALE OF FIXED ASSETS	10,030	9,606	27,859	35,549	35,549	35,549	35,549
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT							
OPERATING TRANSFERS IN (OUT)				300,000			
NET INCOME (LOSS)	50,952	12,689	(61,715)	499,913	203,605	206,604	208,894
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	(876,073)	(647,762)	(696,818)	(178,396)	(648,562)	(434,957)	(238,354)
Total Cash from Sales	2,892,493	2,793,643	2,686,840	2,519,142	2,725,161	2,725,161	2,725,161
Capital Asset Disposal Proceeds	41,744	20,224	20,224	45,555	20,224	20,224	20,224
Federal Grants							
State Appropriations							
Other Sources	-	-	-	300,000			
TOTAL SOURCES OF CASH	2,934,237	2,813,867	2,707,064	2,864,697	2,745,385	2,745,385	2,745,385
Cash Used for Operations	(1,455,617)	(1,732,181)	(1,353,226)	(1,714,241)	(911,158)	(928,160)	(925,869)
Payments for Capital Assets	(1,250,309)	(1,130,742)	(835,416)	(1,620,622)	(1,620,622)	(1,620,622)	(1,620,622)
State Appropriations							
Other Uses							
TOTAL USES OF CASH	(2,705,926)	(2,862,923)	(2,188,642)	(3,334,863)	(2,531,780)	(2,548,782)	(2,546,491)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	(647,762)	(696,818)	(178,396)	(648,562)	(434,957)	(238,354)	(39,460)

**Pro Forma Financial Statements
State Mail**

8/21/2018

	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Preliminary	FY 2019 Estimate	FY 2020 Estimate	FY 2021 Estimate
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	0	0	0	0	0	0	0
ACCOUNTS RECEIVABLE	431,813	485,435	439,843	420,872	420,872	420,872	420,872
DUE FROM OTHER FUNDS	746,286	755,267	809,837	788,783	788,783	788,783	788,783
INVENTORIES	1,259,390	1,049,009	1,169,920	1,169,920	1,169,920	1,169,920	1,169,920
PREPAID EXPENSES	209,140	0	183,603	0	0	0	0
TOTAL CURRENT ASSETS	2,646,629	2,289,711	2,603,203	2,379,575	2,379,575	2,379,575	2,379,575
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	0	0	0	0	0	0	0
LAND / LAND IMPROVEMENTS	0	0	0	0	0	0	0
CONSTRUCTION IN PROGRESS	0	0	0	0	0	0	0
BUILDINGS AND IMPROVEMENTS	161,427	161,427	161,427	161,427	161,427	161,427	161,427
MACHINERY AND EQUIPMENT	2,181,676	2,282,770	2,282,770	2,282,771	2,282,771	2,282,771	2,282,771
ACCUMULATED DEPRECIATION	(1,687,851)	(1,793,864)	(1,915,425)	(2,035,587)	(2,155,748)	(2,275,909)	(2,396,070)
TOTAL CAPITAL ASSETS	655,252	650,333	528,772	408,611	288,450	168,289	48,128
TOTAL ASSETS	3,301,881	2,940,044	3,131,975	2,788,186	2,668,025	2,547,864	2,427,703
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE & ACCRUED LIABILITIES	186,404	115,595	77,066	109,269	143,975	143,975	143,975
DEFERRED REVENUE	0	0	0	0	0	0	0
INTERFUND LOAN (Short Term Cash Deficit)	0	0	179,418	179,418	179,418	179,418	179,418
DUE TO OTHER FUNDS	911	1,306	631	2,532	2,532	2,532	2,532
POLICY CLAIMS LIABILITIES - SHORT TERM							
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	187,315	116,901	257,115	291,219	325,925	325,925	325,925
REVENUE BONDS - LONG TERM							
CAPITAL LEASE PAYABLE-LONG TERM							
CONTRACTS PAYABLE - LONG TERM							
INTERFUND LOAN FROM OTHER FUNDS							
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)	2,803,146	3,246,101	3,175,400	1,722,789	1,990,812	1,658,663	1,393,590
POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	2,803,146	3,246,101	3,175,400	1,722,789	1,990,812	1,658,663	1,393,590
TOTAL LIABILITIES	2,990,461	3,363,002	3,432,515	2,014,008	2,316,737	1,984,588	1,719,515
CONTRIBUTED CAPITAL	251,509	251,509	251,509	951,509	251,509	251,509	251,509
RETAINED EARNINGS	59,911	(674,467)	(552,049)	(177,331)	99,779	311,767	456,679
TOTAL FUND EQUITY / NET ASSETS	311,420	(422,958)	(300,540)	774,178	351,288	563,276	708,188
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	3,301,881	2,940,044	3,131,975	2,788,186	2,668,025	2,547,864	2,427,703

	(0)	(0)	(0)	0	0	0	0
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	12,186,480	12,637,877	11,936,023	11,968,380	11,933,997	11,933,997	11,933,997
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	12,186,480	12,637,877	11,936,023	11,968,380	11,933,997	11,933,997	11,933,997
PERSONAL SERVICES	2,412,698	2,376,062	2,179,364	2,107,514	2,170,739	2,235,861	2,302,937
TRAVEL EXPENSE	1,015	2,539	2,261	7,876	7,876	7,876	7,876
CURRENT EXPENSE	9,717,390	10,812,046	9,448,333	9,298,460	9,298,460	9,298,460	9,298,460
CURRENT EXPENSE - DATA PROCESSING	69,384	52,308	39,240	37,625	37,625	37,625	37,625
DEPRECIATION EXPENSE	103,757	106,013	121,560	120,161	120,161	120,161	120,161
OTHER EXPENSES	26,436	23,287	22,847	22,026	22,026	22,026	22,026
TOTAL OPERATING EXPENSES	12,330,680	13,372,255	11,813,605	11,593,662	11,656,887	11,722,009	11,789,085
TOTAL OPERATING INCOME (LOSS)	(144,200)	(734,378)	122,418	374,718	277,110	211,988	144,912
GAIN (LOSS) ON SALE OF FIXED ASSETS							
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT							
OPERATING TRANSFERS IN (OUT)				700,000			
NET INCOME (LOSS)	(144,200)	(734,378)	122,418	1,074,718	277,110	211,988	144,912

	(2,927,012)	(2,803,146)	(3,246,101)	(3,175,400)	(1,722,789)	(1,990,812)	(1,658,663)
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	(2,927,012)	(2,803,146)	(3,246,101)	(3,175,400)	(1,722,789)	(1,990,812)	(1,658,663)
Total Cash from Sales	12,355,810	12,575,274	11,927,045	11,988,735	11,933,997	11,933,997	11,933,997
Capital Asset Disposal Proceeds	0	0	0	19,670	0	0	0
Federal Grants							
State Appropriations							
Other Sources				700,000			
TOTAL SOURCES OF CASH	12,355,810	12,575,274	11,927,045	12,708,405	11,933,997	11,933,997	11,933,997
Cash Used for Operations	(12,231,944)	(12,917,135)	(11,856,344)	(11,255,794)	(12,202,020)	(11,601,848)	(11,668,924)
Payments for Capital Assets		(101,094)	0	0	0	0	0
State Appropriations							
Other Uses							
TOTAL USES OF CASH	(12,231,944)	(13,018,229)	(11,856,344)	(11,255,794)	(12,202,020)	(11,601,848)	(11,668,924)
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	(2,803,146)	(3,246,101)	(3,175,400)	(1,722,789)	(1,990,812)	(1,658,663)	(1,393,590)

Appendices

September 7, 2018

Mr. Brian Nelson
 Director of Risk Management
 State of Utah
 Division of Risk Management
 5120 State Office Building
 Salt Lake City, Utah 84114

RE: Fiscal Year 2019-20 Liability Premiums

Dear Mr. Nelson:

Annually, Deloitte Consulting performs a complete actuarial analysis using 25+ years of historical data to determine a projection of liability claim costs (also referred to as premiums) to be incurred in the upcoming fiscal year. In this analysis, we perform the projection separately for four departmental groups: Higher Education, School Districts, Department of Transportation, and all Other State Agencies combined. Our most recent analysis is fully documented in a report entitled, "Self-Insurance Unpaid Claim Liability and Funding Estimates as of June 30, 2018" and is dated August 15, 2018. We note that any caveats and limitations listed in our August 15, 2018 report also apply to this letter.

The liability premiums over the past year have dramatically increased as shown in the table below:

Liability Self-Insurance Program
Projected Fiscal Year Estimated Premiums
 (Amounts in Thousands)

	FY 2018-19	FY 2019-20	% Increase
School Districts	\$7,468	\$8,816	18%
Department of Transportation	\$2,459	\$3,494	42%
Higher Education	\$3,013	\$4,262	41%
Other State Agencies	\$5,452	\$6,378	17%
Combined Total	\$18,392	\$22,950	25%

The increase over the past year of 25% is dramatically different than the estimates of premium increases that have occurred in the past. For example, a review of the annual increase in the premium estimates for the 17 years prior to the 2017-18 premiums averaged 1.3% a year. The average annual increase for the 10 years prior to the 2017-18 premiums was less than 1.0% annually.

Increase in Level of Liability Claim Amounts

The State’s actual liability claim experience by nature is very volatile. The low frequency / high severity nature of liability claims would be nearly impossible for an individual agency/district/institution to handle or budget for the occasional “significant” adverse claim. The State helps to reduce the volatility across agency/district/institution by pooling its experience and charging a premium rate that would capture the average cost of the whole State and across several years.

As can be seen on the chart below, the State has experienced several years of low liability losses offset by the occasional high loss year. Fiscal years 1999 through 2014 averaged losses around \$10.6 million with the majority of the years either at or below that level.



Beginning in fiscal year 2015, there appears to be a shift in the claim experience. Fiscal years 2015 through 2018 have averaged \$15.9 million annually. This amount is significantly higher than what the State has experienced in the past. When the 2015 and 2016 fiscal years were first observed, the initial thought was that it was just the occasional high liability loss year. Therefore, premiums were not adjusted beyond the long-term average. Fast forward to 2018 and the trend appears more like a shift to a higher level of losses rather than the occasional higher liability loss year.

We note that the increase in the level of reported losses is not the result of an increase in the number of claims reported. If anything, the number of reported claims is lower than what it has been in the past but the average cost of claims has increased significantly. Good risk management can usually serve to help prevent/minimize the number or frequency of claims. It is more difficult to have an influence on the size of claims, especially if the causes of the increase in claims are the result of circumstances beyond the State’s control, including changes in a State’s litigiousness, changes in jury attitudes, increases in governmental immunity caps, etc.

During our annual meeting in 2018, the division confirmed that there has been an increased level of tort claims filed over the past few years. With this information, we determined that the recent average would be more appropriate to determine the liability premiums.

September 7, 2018
Page 3

Although the items discussed above do not provide all details of the calculations used to perform the premium liability estimates, we hope that it is a sufficient and simple summary of what caused the increase in the estimated liability premiums this year.

If you have further questions or would like more details, please do not hesitate to contact me.

Yours truly,

A handwritten signature in black ink that reads "Rod Morris". The signature is written in a cursive style with a large, sweeping initial "R".

Rod Morris, FCAS, FSA, MAAA
Deloitte Consulting LLP
555 West 5th Street, Suite 2700
Los Angeles, CA 90013
213-688-3374
rmorris@deloitte.com