Internal Service Fund Rate Committee Information Packet for Committee Meetings Scheduled September 2019

August 28, 2019

Rates for Fiscal Year 2021

Rate Committee Members and Customers,

The Department of Administrative Services (DAS) provides essential services to state agencies, higher education institutions and technical colleges, school districts, and political subdivisions. Most of these services are provided by divisions that operate as Internal Service Funds (ISF). In other words, these divisions charge a rate for service. While these divisions provide hundreds of services, DAS is proposing changes to rates for some of the services associated with three divisions for FY 2021:

- Facilities Construction and Management proposes rate changes for 11 out of over 200 programs, four new programs or scope changes, and adjustments to the garage (hourly) rates.
- Risk Management proposes some significant changes in three of its programs: a Liability rate increase to address actuarial loss projections and deficit recapture; a Property rate increase that applies an actuarial methodology adding exposure and experience to replacement cost; and adjustments to the Automobile Property Damage rate.
- Fleet Operations proposes a change in the mileage rate for maintenance and repairs. This change will result in an overall rate reduction for the motor pool program. However, it will also apply the rate to vehicles that have already been replaced, but have temporarily been retained by the agency for a specific purpose. Fleet also proposes changes to the Fuel Network rate from a percentage that fluctuates with changes in gas prices, to a fixed amount. State Travel proposes a new rate for auto only, hotel only, or auto and hotel only reservations. The airline reservation rate remains unchanged. Finally, the Transactions Team, an ISF that primarily serves DAS, consolidates two rates into one.

Information about these divisions and rate changes is provided as part of this packet. Additional information is provided for the Division of Finance or the Division of Purchasing and General Services, although neither division is proposing changes to its rates.

Statute requires a DAS division that operates as an internal service fund to submit a rate and fee schedule annually to a rate committee with members, appointed by the Governor, 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 at 801-538-3010.

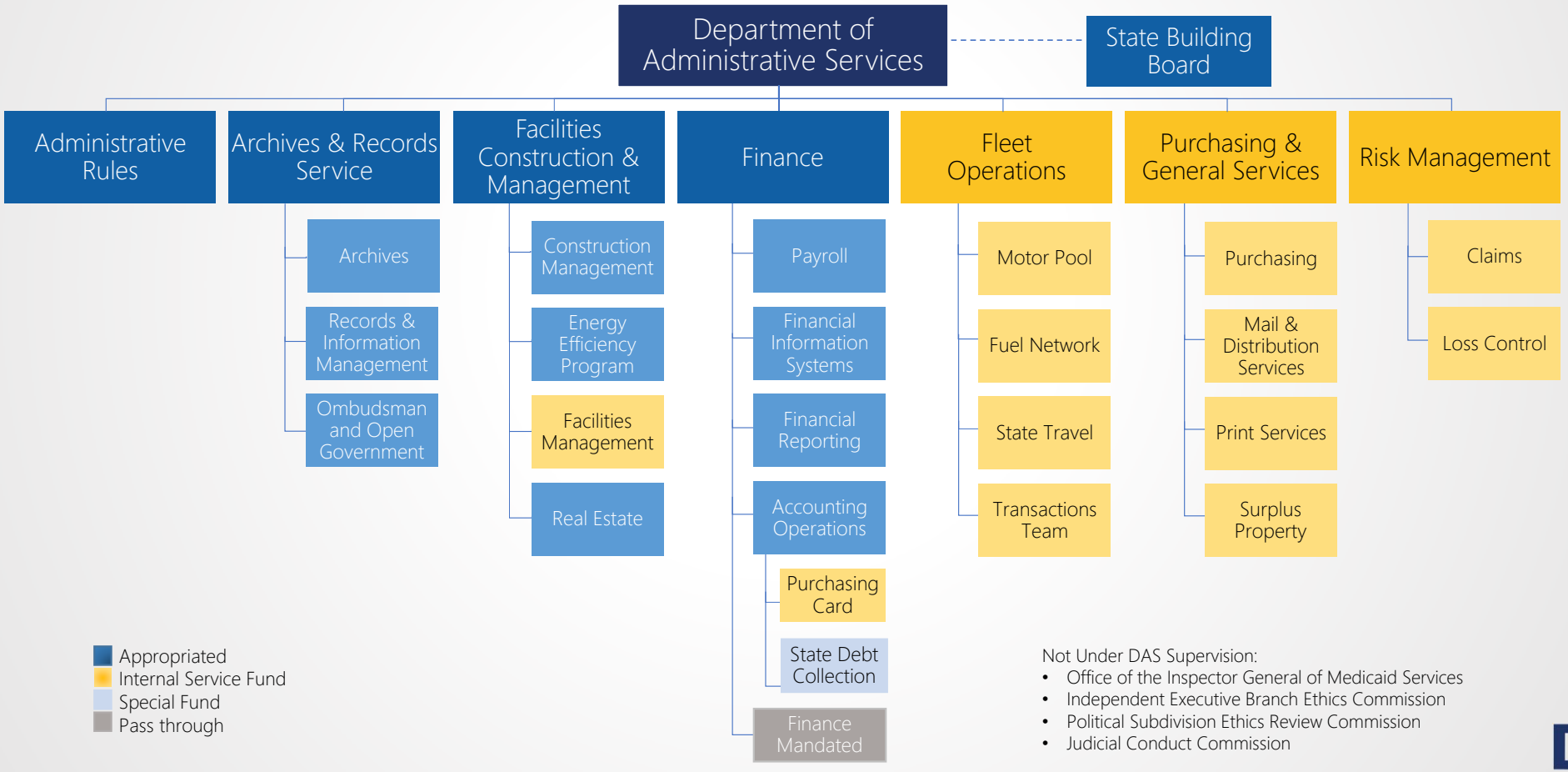
Respectfully,

Tani Pack Downing
Executive Director
Utah Department of Administrative Services

Kenneth A. Hansen
Deputy Executive Director
Utah Department of Administrative Services

DAS

DAS Programs



Not Under DAS Supervision:

- Office of the Inspector General of Medicaid Services
- Independent Executive Branch Ethics Commission
- Political Subdivision Ethics Review Commission
- Judicial Conduct Commission

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DAS

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 FY2021 Internal Service Fund Rate Review Committee Meeting

DATE: Wednesday, September 11, 2019
TIME: 9:00 a.m.
PLACE: State Capitol Building, Room 445

I. Committee Business:

a. Welcome – Todd Kiser, Insurance Commissioner and Rate Committee Chair
b. Approval of minutes of September 12, 2018
c. Open and Public Meetings Act Training – Paul Tonks, Attorney General's Office
d. Overview of DAS and Rate Committee Responsibilities – Ken Hansen, Deputy Executive Director, Department of Administrative Services

II. Presentation by DAS Internal Service Funds

a. **Finance** – John Reidhead, Division Director
- Purchasing Card program
1. Presentation
2. Discussion
   a. Committee
   b. Public
3. Action Items – Vote on FY 2021 Rates

b. **Purchasing and General Services -** 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 FY 2021 Rates

c. **Facilities Construction and Management** – Jim Russell, Division Director
- Facilities Maintenance
1. Presentation
2. Discussion
   a. Committee
   b. Public
3. Action Items – Vote on FY 2021 Rates and Rate Changes

d. **Risk Management** – 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 FY 2021 Rates and Rate Changes

e. **Fleet Operations** – Stewart Cowley, 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 FY 2021 Rates and Rate Changes

Subsequent Meetings (if necessary)

Thursday, September 19, 2019, State Capitol Room 445, 9:00 a.m.
Tuesday, September 24, 2019, 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
Scott Jones, Deputy Superintendent of Operations, 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 FY2021 Internal Service Fund Rate Review Committee Meeting #2 (If Needed)

DATE: Thursday, September 19, 2019
TIME: 9:00 a.m.
PLACE: State Capitol Building, Room 445

I. Committee Business:
- a. Welcome – Todd Kiser, Insurance Commissioner and Rate Committee Chair
- b. Approval of minutes of September 11, 2019

II. Follow up Presentations by DAS Internal Service Funds
- a. Finance, Purchasing and General Services, Facilities Construction and Management, Risk Management, and Fleet Operations – Ken Hansen, Deputy Executive Director and Division Directors
  1. Follow up presentation
  2. Discussion
     - a. Committee
     - b. Public
  3. Action Items – Vote on FY 2021 Rates and Rate Changes

Subsequent Meetings (if necessary)
Tuesday, September 24, 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
Scott Jones, Deputy Superintendent of Operations, 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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State of Utah

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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 #3 (If Needed)

DATE: Tuesday, September 24, 2019
TIME: 9:00 a.m.
PLACE: State Capitol Building, Room 445

I. Committee Business:
- a. Welcome – Chairperson
- b. Approval of minutes of September 19, 2019

II. Follow up Presentations by DAS Internal Service Funds
- a. Finance, Purchasing and General Services, Facilities Construction and Management, Risk Management, and Fleet Operations – Ken Hansen, Deputy Executive Director and Division Directors
  1. Follow up presentation
  2. Discussion
     - a. Committee
     - b. Public
  3. Action Items – Vote on FY 2021 Rates and Rate Changes

COMMITTEE MEMBERS

Todd Kiser, Commissioner, Dept of Insurance
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Mark Brasher, Deputy Director, Department of Human Services
Scott Jones, Deputy Superintendent of Operations, 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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3120 State Office Building, Salt Lake City, UT 84114 ♦ telephone 801-538-3010 ♦ http://das.utah.gov/

FY2021
DAS Rate Impact Summary

DAS FY 2021 Rate Impacts

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

Agency/Customer	DFCM	Fleet Operations				Risk Management			Grand Total
	Op. & Maint.	State Travel	Fuel Network	Motor Pool	Transactions Team	Auto	Liability	Property	
011 Senate		8					(831)	537	(287)
012 House of Representatives		168					(1,509)	1,029	(313)
013 Legislative Printing							(256)	587	331
014 Legislative Research & General Counsel		0					(2,478)	576	(1,901)
015 Legislative Fiscal Analyst		32					(1,029)	144	(852)
016 Legislative Auditor General		8					(1,006)	334	(664)
017 Legislative Services							7,267		7,267
020 Judicial Branch	120,000	2,640	0	(29,359)		6,300	(70,207)	19,599	48,973
030 Capitol Preservation Board							(1,363)	280,141	278,778
050 State Treasurer		8		(280)		600	(497)	(367)	(535)
060 Governor's Office		1,728		659		(300)	84,826	5,794	92,707
061 Governor's Office of Energy		264		911		500		0	1,675
063 Governor's Office of Economic Development		1,456	27	(1,396)		1,500		(143)	1,444
065 Utah Science Technology & Research Initiative		120		(62)		0	(1,339)	(109)	(1,390)
080 Attorney General		1,120	15	(11,729)		4,100	(21,748)	1,467	(26,774)
090 Utah State Auditor		320		(304)		100	(1,734)	535	(1,083)
100 Dept of Administrative Services	25,000	2,696	120,998	(32,695)	34,727	(32,400)	(19,992)	484,113	582,447
110 Dept of Technology Services		2,672		(5,043)		1,400	(29,466)	43,878	13,442
120 Tax Commission		1,224	33	(18,230)		2,700	1,055	4,941	(8,277)
130 Career Service Review Office		0					(208)	28	(180)
140 Dept of Human Resource Management		16					(700,315)	308	(699,991)
170 Navajo Trust Administration	25,000		1	(513)		100	(6,320)	(1,560)	16,708
180 Dept of Public Safety	20,000	4,504	82	135,574		310,000	(153,252)	868	317,777
190 Utah National Guard		1,048	1,016	(12,746)		4,000	20,778	45,320	59,417
200 Dept of Human Services	422,925	12,952	154	(67,839)		31,600	(57,351)	128,875	471,316
270 Dept of Health		3,208		(6,984)		(700)	(30,770)	3,993	(31,253)
400 Utah State Board of Education		10,656	13	(8,285)		(200)	268,516	20,499	291,198
410 Dept of Corrections		976	557	(12,384)		90,100	11,545	13,601	104,394
430 Board of Pardons & Parole		376		(402)		200		624	797
450 Dept of Veterans' & Millitary Affairs		216		(9,538)		1,800	28,096	57,757	78,331
450 Dept of Veterans' and Military Affairs			41						41
480 Dept of Environmental Quality		2,944	17	(2,924)		2,300	(15,932)	(3,424)	(17,018)
510 State Board of Regents							3,990	6,998	10,988
510 Utah Medical Education Council								14	14
540 School & Institutional Trust Fund Office		64					115	19	198
550 School & Institutional Trust Lands Admin		1,120		(1,436)		1,800	(7,070)	1,295	(4,291)
550 School and Institutional Trust Lands Admin			0						0
560 Dept of Natural Resources		6,760	3,501	143,649		56,500	107,244	(408,915)	(91,262)
570 Dept of Agriculture & Food	15,000	2,008	359	(46,766)		8,500	(15,022)	3,322	(32,599)
590 Public Lands Policy Coordination Office		1,688		(1,099)		1,000	(6,484)	211	(4,685)
600 Dept of Workforce Services	74,636	3,200	12	(21,327)		12,400	18,621	7,568	95,111
650 Dept of Alcoholic Beverage Control		592		(2,976)		400	11,481	23,168	32,665
660 Labor Commission		384		(4,898)		1,500	(7,703)	1,622	(9,094)
670 Dept of Commerce		1,144		(4,992)		1,400	(29,815)	2,308	(29,954)
680 Dept of Financial Institutions		1,056					(2,381)	317	(1,007)
690 Dept of Insurance	17,439	72		(1,428)		2,300	(95,405)	536	(76,485)
700 Public Service Commission		320					(3,705)	706	(2,679)
710 Dept of Heritage & Arts		1,864	28	(2,394)		(2,500)	17,505	(5,585)	8,918
810 Dept of Transportation		7,224	74,241			62,300	191,000	(963,424)	(628,659)
Higher Education		21,416	54,912	(26,966)		(66,307)	1,747,019	1,094,810	2,824,884
Non-State Entities			429,332			(1,135)	456	(53,252)	375,401
School Districts		3,384	292,483			34,938	(243,477)	(755,706)	(668,377)
Grand Total	720,000	103,656	977,823	(54,202)	34,727	536,796	990,852	65,954	3,375,607

KEY: "DFCM" means Division of Facilities Construction and Management

2018 ISF Rate Committee Meeting Minutes

For the meeting held Wednesday, September 12, 2018

(Draft waiting formal approval)

Department of Administrative Services FY 2019 Internal Service Fund Rate Review Committee Meeting

Wednesday, September 12, 2018
9:00 a.m.
State Capitol Building, Room 445
350 North State Street, Salt Lake City, UT 84114

Committee Members:

Commissioner Todd Kiser – Chair, Department of Insurance
Commissioner Jaceson Maughan – 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

***Note: An audio recording of the meeting can be found on the Public Notice Website -- https://utah.gov/pmn/sitemap/notice/483889.html. Handouts and presentation slides are also attached to the meeting on the website. Referred times on the recorders are approximate.**

I. Committee Business:

a. Welcome – Ken Hansen, Deputy Executive Director, Department of Administrative Services (DAS). The meeting commenced at 9:05 a.m.

Ken Hansen welcomed everyone to the meeting and asked the members of the committee to introduce themselves.

b. Selection of a Committee Chairperson

Mr. Hansen asked the committee for nominations for the chair. Joseph Brown nominated Todd Kiser to be the Chairperson. There were no other nominees. Mark Brasher seconded the nomination of Todd Kiser. The committee voted unanimously to make Commissioner Kiser the Committee Chair.

c. 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 .10 on recorder (1). The power point document is also attached to the meeting on the Public Notice Website.

d. Approval of minutes from the September 11, 2017, meeting.

Commissioner Kiser asked for a motion to approve the minutes from the September 11, 2017, meeting. Joseph Brown moved to approve the minutes, and Mark Brasher seconded the motion. A vote was taken and the motion passed unanimously.

Commissioner Kiser took a moment to welcome everyone to the meeting and thanked the Department of Administrative Services for their thoughtful preparation for the meeting today.

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

Ken Hansen thanked individuals from all the Internal Service Funds for their work to put together the information for the meeting today.

Mr. Hansen, the Deputy Executive Director for the Department of Administrative Services proceeded to review the responsibilities of the DAS Rate Committee and provided an overview of Administrative Services. Refer to 8:00 on recorder (1).

DAS has seven major programs they oversee. The internal service funds that will be discussed include: Risk Management, Finance, Facilities Construction and Management, Purchasing and General Services.

The Governor's Office of Management and Budget has seen the DAS rates proposals, but waits for the recommendation from the Rate Committee.

II. Presentation by DAS Internal Service Funds

a. **Risk Management** – Ken Hansen, DAS Deputy Executive Director and Brian Nelson, Division Director

Brian Nelson, Director of the Division of Risk Management, Brian Jensen, Support Services Manager, and Darin Dennis, Assistant Director, presented the Risk Management proposed rates. Rod Morris is an independent actuary that works with Risk Management, and is also present to answer questions. Please refer to 12:00 on recorder (1), slides 8-30.

Mr. Nelson said the Division of Risk Management manages the State's Risk Fund and procures excess property and liability insurance for Higher Education, school districts, state agencies, and half of the charter schools. Higher Education and state agencies are required to use the fund, School districts and charter schools are not required to use the fund.

The Division also procures workers compensation for all state agencies. The actuary provides an annual review of lost histories, and projects future losses. The actuary also recommends prospective premiums in the liability fund, and how the premiums are allocated.

There was a letter received from the actuary Rod Morris that was emailed to the committee that will be referred to later.

Risk Management has able to provide broad coverage for lower rates, with the capacity to absorb high cost claims. Risk Management is in the process to obtain an independent professional to

evaluate the benefits. A report will be provided to the committee when it is received. Mr. Nelson explained that rates are impacted by the agency's 5-years history as well as the insurance market.

In Fiscal Years (FY) 2015 -2018, there was a significantly higher level of losses than an occasional higher liability loss year. The average liability claim costs rose from $10M per year to an average of $15M per year. The high loss cost was not the result of an increase in claims, but the cost of the claims. Refer to the actuary letter in the packet (pages 129-131).

Liability Insurance Program

Brian Jensen presented the Liability Insurance Program. Refer to 19:00 on recorder (1).

Mr. Jensen reviewed the Liability Retained Earnings slide. He explained that in FY 2015 the claims costs started to outpace the collected premiums. The graph shows where the retained earnings have been and where they are going.

Brian Nelson reviewed the slide on Losses and Premiums. Refer to 20:42 on recorder (1). There are four groups that are looked at by the actuary. School Districts, Higher Education, Utah Department of Transportation (UDOT), and Other Agencies.

School Districts have experienced an unprecedented increase in liability and losses. The difference between premiums charged and losses incurred, is approximately $7.2 million. The graph shows a $2 million transfer from the Workers Compensation fund to offset the schools increase in premium costs for FY 2019.

Higher Ed. also experienced an increase in claims over the past 5 fiscal years. The Legislature also approved a $400,000 transfer from the Workers Compensation Fund to offset their increase premium costs for the FY 2019.

UDOT's losses have been up and down over the years. State agencies losses and premiums have been easier to work with, their premiums and losses have be more middle of the road.

Mr. Nelson stated that Risk Management has chosen to implement a less conservative rate approach because of the current trend in the last 4 years fiscal years. Because of the discrepancy between premiums charged and losses incurred, the fund needs to recapture the deficits that rose between FY 2012-2018 to be economically sound. Refer to last paragraph on the second page (pg. 130) in the letter from the actuary.

Please refer to 24:01 on recorder (1)

Risk Management is working with mitigation specialists to train bus drivers, and have collaborated with Ron Litchfield the transportation specialist with the Utah State Board of Education to provide training, and mitigate the bus accident losses. The Attorney General's Office has been brought in to consult. Risk Management has met with school districts superintendents, business administrators, and they have been in contact with Higher Ed. They plan on meeting with others as well to turn this trend around.

There were questions from the committee on the liability increases. Refer to 25:40 on recorder (3).

Richie Wilcox asked about the UDOT liability insurance that is going up approximately $1 million, and the lane miles are going down.

Brian Nelson said that the lane miles have not increased a lot, but there has been a significant number of wrongful death claims.

Commissioner Kiser asked if they were using outside resources for mitigation and training, or using in house staff.

Mr. Nelson said they have staff in-house that are lost control professionals, and plan to bring in other resources as well. It will be a combination of in-house, the Attorney General's Office, and other professionals, for training and mitigation.

Becky Bradshaw asked about the claims paid by UDOT and the Deloitte recommended 42% increase in premiums. Mr. Nelson said the premiums are from the 5 years history, and projections. Mr. Nelson will have the actuary Rod Morris address this issue for Ms. Bradshaw.

Mr. Nelson reviewed the Liability Reserve. Refer to 29:48 on recorder (3).

The actuary looks at the reserve annually and indicates what needs to be in the liability fund. As of June 30, 2018, the balance was just over $49 million, and actuary has recommended the balance to be $54,407,000. This fund is intended to allow the state to pay for all claims should they come due at once.

Richie Wilcox asked what the difference is between the reserve fund and the retained earnings.

Brian Jensen said the reserve fund is recommended by the actuary. It includes cost that are currently known and projects future costs. If all the claims came due, the reserve fund would pay the claims.

Mr. Nelson said they do draw out of these funds to pay liability claims where Risk Management has not received adequate premiums.

Natalie Grange asked if the $10 million loss is part of the premium increase and if they are trying to recover that amount and does it go to the liability reserve. She asked if they used retained earnings and the liability fund to cover costs in the years were the premiums weren't high enough to cover the costs.

Brian Nelson said it was a combination of both. Retained earnings affect this and we need to get the liability back to where it needs to be, but it is also to cover the higher claims. They use the retained earnings and the liability fund to cover claims.

Mr. Nelson explained how they got where they are. Please refer to 33:04 on recorder (1).

There was an unprecedented increase in liability claims. There is also a lag time between actuarial projections and loss experience. They were conservative in with projections to keep the rates low and stable to minimize the retained earnings.

The high cost claims have increased. There were a number of different types of cost claims, like wrongful deaths some involving school busses, head injuries, wrongful termination claims, civil

rights claims, etc. If the Legislature changes the tort caps and government immunity, there will be a bigger increase in these claims and costs.

Based on loss experience and projections, they are proposing that liability premiums increase by $6,895,101 in FY 2020, the premiums will be allocated between the funds four groups, and respected entities based on their loss history and risk exposure.

Brian Jensen review the Liability Retained Earnings slide. Refer to 38:05 on recorder (1).

The slide shows the history of retained earnings. Risk Management is requesting a rate increase because of the shift in liability premiums and retained earnings.

Natalie Grange asked if the entities would be reevaluated each year, and if it possible the rates could go up or down next year?

Brian Nelson said Risk Management will be asking for another rate increase next year. Because of the current cycle or trend. Mr. Jensen explained that the claim costs have outpaced the income collected. Risk Management is requesting a rate increase for FY 2020, it's projected that it will have to ask for another rate increase in FY 2021.

Mr. Jensen proceeded with the slide showing the breakout of the percentage changes to the Liability Premiums for the Risk Pool. Please refer to 43:00 on recorder (1).

The actuary recommended an increase of at least of almost $4.4 million for FY 2020 premiums. The recommendation only took into consideration future claim amounts. The actuary did not take into account what the rates needed to be to recapture the losses.

Risk Management plan to recapture the losses by adding amounts onto the different entities and pools, over a three year period, so the entities and pools will not be burdened in one fiscal year period. The additional amounts added in the past that were transferred out of Workman's Comp was used to reduce the premiums. The money transferred out of Workman's Comp this year will be transferred to the liability fund.

Mark Brasher asked about the contributions agencies provide in a settlement. Agencies that only have to pay the premium may be less likely to do something about the problem that caused the claim.

Brian Nelson explained for general liability claims, there is no deductible. Mr. Nelson can't say that agencies that are fully funded for the proposed premiums have less incentive to fix things regarding claims. There are entities in the Risk fund that are not fully funded, and may be impacted in different ways. Higher Educations tuition could be impacted.

Risk Management has created an Employment Practices Liability policy that was amended and became effective July 1, 2018. The form creates a deductible and a co-pay, with an incentive to waive the appropriate deductible if the entity has worked with Risk Management, the AG's Office, or private counsel, through the process of the adverse employment action.

Mr. Nelson explained questions from the committee. Please refer to 46:22 on recorder (2)

Jaceson Maughan asked where the financial impact on the high cost claims came from.

Mr. Nelson explained there have been more tort cap claims and civil rights claims, and attorney fees are costly.

Natalie Grange asked about the mitigation that has been discussed on employment claims that have been going through DHRM.

Mr. Nelson explained that Risk Management decided to extend the employment practices liability, and provide early Attorney General (AG) intervention for all the insurers. Which also includes defense costs for administrative proceedings for the Career Service Review Office (CSRO), is now covered. Early intervention from the AG's office has reduced CSRO hearings, and defense costs. The AG's office reviews any purposed termination or adverse employment action and then advises state agencies if the claim is defensible. As of July 1, 2018 the insured entities have access to this service. Not all charter schools are insured through Risk Management.

Property Program

Brian Nelson presented the Property premiums. Please refer to 53:00 on recorder (2).

Property rates are largely dependent on the characteristics of a building, its location, use, square footage, and other characteristic of the building. Risk Management subscribes to an annual service called Marshall and Swift that looks at the buildings, and what the costs would be by square footage to repair these buildings. This is how the rates are calculated

The $961,400 premium increase for FY 2020 is largely due to the $2 million increase in the excess property program.

Brian Jensen reviewed the Property Retained Earnings. Please refer to 55:23 on recorder (2).

The increase in retained earnings for FY 2018 was because reserve balances were too high. They had estimated a $1 million loss for FY 2018. Risk Management adjusted the reserves by $3.9 million when they saw the increase in the net income and the retained earnings. As they move forward they are reducing the retained earnings to get it back to the 60-day operating capital. They will watch what happens in FY 2020, and will adjust the rates accordingly in FY 2021.

Brian Jensen continued with the Property Premiums by Risk Pool. Please refer to 58:00 on recorder (3). He reviewed the break out for the property premiums.

The increase is part of the $2.0 million increase in excess property premiums. It has been allocated based on loss experience.

Commissioner Kiser asked what the total value of properties, and how much earthquake insurance is there.

Mr. Nelson said there is $34 billion in properties that Risk insures, and there is $525 million earthquake insurance in the traditional program, another $50 million in a parametric program.

Richie Wilcox asked for an explanation of excess property and why so much was added.

Brian Nelson explained excess property is how the risks are financed. Please refer to 1:01.00 on recorder (2).

The state self-insures losses up to $1 million. The total insured property value is $34 billion. The outside carrier covers the excess amount, the limit on that policy is $1 billion. If there is a loss the state pays $1 million plus $1,000 deductible, the excess carrier covers the anything above the $1 million. If the state has paid $3.5 million out of Risk's fund, they pay the balance of any claims above that amount.

Joseph Brown ask if the $1 million was the threshold or if there could be a higher threshold.

Mr. Nelson said they have looked at various thresholds, and feel that the $1 million is the appropriate threshold.

Automobile Property Program

Brian Nelson presented the Auto Premiums. Refer to 1:04.35 on recorder (1). They are proposing a slight increase in rates and a change in the way the rates are determined.

Mr. Nelson explained the change for the annual premiums for auto property damage. Most of the vehicles used by entities are similar, excluding Public Safety, but are charged different premiums per vehicle. The actuary proposed to assign a weight to each type of vehicle based on the cost of the repairing the type vehicle, the number of those types of vehicles, and the losses they were incurring. It was decided to allocate the premiums base on vehicle. Refer to slide #23 in the packet.

Brian Jensen said Risk Management will continue to have minimal rate increases in order to keep up with the repair costs for the vehicles. The cost to repair vehicles is increasing.

Workers Compensation Program

Brian Nelson continued with the Workers Compensation fund. Refer to 1:09 on recorder (1).

There has been significant reductions in Workers Compensation claims and costs over the last few years, and the retained earnings are high even after the transfer of funds in FY 2018 to the Liability Fund and Auto.

They are proposing a $1.2 million decrease in the Worker's Compensation fund to state agencies. This will help reduce the retain earnings that and bring the fund to an acceptable level for the 60-day operating expense. Refer to slide 27 in the packet.

Learning Management System

Brian Jensen explained the Learning Management System (LMS). Refer to 1:12 on recorder (1). LMS is a fairly new system Risk Management has in place. A Risk Management employee provides the assistance to other departments with implementation issues and oversees the system. There are two rates associated with the LMS. The garage rate and the enterprise rate, both rates are $55 per hour. The enterprise rate has a 500 hour bank. The bank is used for updates and maintaining the system. A garage rate is billed when an agency needs help or has questions.

Risk Management proposes to include 50 hours of the garage rate in the enterprise rate, which is a total of $2,750 rate impact per entity that participates in the LMS system. This would allow the agencies to ask for assistance, without the hourly cost. This will benefit the user and the system.

That concluded the presentation for Risk Management.

Commissioner Kiser referred back to a question from Becky Bradshaw.

Ms. Bradshaw restated her question and referred to UDOT claims history, and the liability column. Refer to 1:14 on recorder (1).

Ms. Bradshaw stated that UDOT claims have been decreasing since FY 2015, but their rate was increasing 42%. She asked about the fact that the claims are decreasing and if it was because they did not pay enough in premiums for the claims that were paid.

Brian Nelson explained that Ms. Bradshaw may be looking at the claims paid instead of the total value of the claims. He said the total value of the claims has not decreased in the last few years. Many of the claims may still be going on, and they get more costly the longer they take.

Rod Morris explained that UDOT may be paying less in the current year, to cover claims in the previous year. The value of claim amounts in the last couple of years has not been lower. An adjuster sets claims on an individual claim basis. Generally claims grows over time.

Natalie Grange asked about the auto rate impact. Refer to page 5 "DAS FY 2020 Rate Impacts" in the packet, where DAS has a negative impact of $782,800.

Brian Nelson explained Risk has worked with Fleet to change the way they charge for auto property damage. They charge the premiums directly to the agencies. They used to charge the premiums to DAS and then to Fleet, and they would allocate the premiums. The amount in the column for DAS explains how the rates will be billed out.

There were no other questions from the committee, and no public comments.

Action Items – Vote on FY 2020 Rates and Rate Changes

Commissioner Kiser asked the committee to take action on the Risk rates. Refer to 1:21 on recorder 3.

Natalie Grange would like to understand what the options are. She suggested they draft a statement or letter to GOMB and the Fiscal Analyst's Office to address the committee's recommendation on the premium rate increases that will continue over the next couple of years.

Commissioner Kiser asked Ken Hansen to explain how DAS is working with GOMB and the Governor's Office.

Ken Hansen said they would make sure it was communicated with GOMB and the Governor's Office, so they are aware the circumstances. He suggested they make that part of the motion on the rates that they specifically communicate what they anticipate on future years Risk Management rates.

Richie Wilcox has communicated with Kristen Cox the Executive Director of GOMB. She is aware of the large increases and the proposed increases in the future. He will make sure Ms. Cox is aware of it.

Natalie Grange asked that this recommendation be sent it to all of the Appropriation Committee.

Mark Brasher suggested that other alternatives be looked at to reduce some of the costs for all entities. Including those who pay a deductible and those that are fully funded. Commissioner Kiser would like to have Risk Management get have the agencies engage in training to mitigate losses.

Natalie Grange asked if the committee has the authority to request some kind of a work group or a report back from Risk Management about the impacts of the mitigation, and a study about Mr. Brasher's suggestions. Everyone on the committee is concerned about how these rate impacts will affect their budgets. She would like a more detailed packet of this information to show how Risk Management has mitigated this issue and what options are available. Possibly a policy change or to practice changes help mitigate this further.

Commissioner Kiser likes this recommendation and asks DAS to work on these suggestions.

Richie Wilcox has asked for Risk Management to provide a report for GOMB about their mitigation efforts. He would like them to add the issue with agencies who pay deductibles, and those fully funded.

Ms. Grange asked if phase one of the study is something the Governor's Office has already asked for, and if an in depth study could be done and ready for this committee next year.

Brian Nelson explained a lot of the entities are doing everything to reduce costs, but things do happen. Risk Management has people that do consulting, training, and inspecting their insureds. With all of their efforts they are reducing the frequency, but the claims have been more severe. Mr. Nelson is happy to show the committee the independent analyst that will be taking place in the next several months. The mitigation efforts are due to the Governor's Office next September 18, 2019. They are hoping the independent study will be completed by the end of the calendar year.

Commission Kiser asked for a motion to approve Risk Managements rates. Please refer to 1:38 on recorder 3, for the motion.

Natalie Grange moved that the committee approve the rates as proposed by Risk Management for FY 2020. They expect the information to be provided to GOMB, the Fiscal Analyst Office, as well as Higher Ed. and Public Education Operations committees about the potential for increase

for FY 2021, and that Risk Management make available the information they are providing to GOMB, and the studies they are commissioning by the next Committee Meeting for 2020.

Ken Hansen would like to clarify that Ms. Grange is referring to page 42, slide 30 of the rate packet. That would approve the rate changes discussed and other existing rates.

Mark Brasher seconded the motion. A vote was taken and the motion passed unanimously, with the exception of Becky Bradshaw who was absent. She had stepped out of the meeting.

b. **Finance** – Ken Hansen, DAS Deputy Executive Director and John Reidhead Division Director. Refer to 1:40 on recorder (3), slides 31-35.

John Reidhead presented the Purchasing Card program

Finance handles the purchasing card program. There are approximately 2,800 cardholders in the program. Last year the purchasing card usage was $31.77 million. The rebate for 2018, was processed in August 2018, and the net rebate to State agencies and local governments was $344,802.

By holding the FY 2018 rebate until the New Year, Finance shows excessive retained earnings at the end of FY 2018. Next year, the projected ending retained earnings will be back in line.

There is no rate charged to agencies, but there is a "rate" that goes into the bill so it is approved by the Legislature.

The card program is handled through US Bank. Based on what is spent on the cards the state gets back rebates. When the rebates are received from US Bank, Finance covers its costs to administer the program and the remainder is rebated back to the agencies based on what they spend on their card. Finance also remits to the federal government its share of the rebates before the money is rebated back to the agencies.

That concluded the presentation from the Division of Finance.

There were no questions from the committee or the public.

Action Items – Vote on FY 2020 Rates and Rate Changes

Richie Wilcox moved to approve the existing rates for Finance on the Purchasing Card slide 36. Joseph Brown seconded the motion. A vote was taken and the motion passed unanimously. Note: Becky Bradshaw had returned to the meeting.

c. **Facilities Construction and Management –** Ken Hansen, DAS Deputy Executive Director and Jim Russell, Division Director, Refer to 1:44 on recorder (3), slides 37-46

Nick Radulovich, Assistant Director, presented the rates for Facilities Construction and Management.

The Division of Facilities Construction and Management (DFCM) provides building management services to state agencies. They currently have 143.5 FTE's. They provide

maintenance and management services to over 200 state-owned and leased buildings. They have $35 million adjusted revenue for FY 2019, and manage over 7.5 million square feet of space statewide.

DFCM focuses on efficient building operations. Their maintenance costs are lower than local and national averages. They do this through their statewide complex regional maintenance groups. They contract out on areas they cannot provide service.

Mr. Radulovich reviewed the cost per square foot graph (slide 40). The graph shows the cost on maintenance per square foot in the US Private, US Government, SLC Private, DFCM FY 2018, and the projected DFCM FY 2020 rates. They provide full service maintenance. DFCM's employees who are licensed electricians, and HVAC specialists, provide the service and maintenance.

Mr. Radulovich continued with DFCM's retained earnings (slide 40 & 41).

DFCM's retained earnings have increased since FY 2018, and are projected to increase through FY 2021. The plan is to get with agencies and discuss the retained earnings and look into areas where this money can be spent.

Richie Wilcox ask about the rate increase projected retained earnings rate increase in FY 2020, of around $300,000, and a net income of $1 million dollars.

Mr. Radulovich, explained there are seven programs that they are asking for rate adjustments for. Refer to (slide 43, page 70). They will look at the rates over the next year to decide if there could be some rate reductions.

Ken Hansen stated there are 200 programs that DFCM is administering, and it monitors each program separately. DFCM watches these programs and if they are in deficit over three years, they make a rate adjustment. They also do this if there is a surplus, and then there is a rate reduction for that program. There is not a specific target they look at because they are managing these programs individually and are trying to come close to breaking even.

Mark Brasher asked if it would be possible to use some of the retained earnings to assist with other buildings that need funding to convert to "VOIP". Mr. Radulovich said they would need to look in to this.

Mr. Radulovich continued and reviewed the rate recommendations for the new programs or scope changes (see slide 44). Refer to recorder (1) 1:59.

Mr. Hansen said they are not asking for a rate increase for these new programs or scope changes. This amount does not show on the rate impact. Funding for these facilities in slide 44 already exists, they were funded through legislative process.

It is not a rate, going forward the rate shown is what they will pay for the new buildings. It has been included on the motion recommendation. It does need the approval for the rates to go forward.

Mr. Radulovich reviewed the Facilities Management Labor (Garage) rates (see slide 45). These rates are above and beyond the scope of work under the contract. The propose rate increases on this slide are the rates they are asking to be approved. They are hourly rates.

Richie Wilcox asked about the hourly rates and why the rates for temporary groundskeeper are going up 24%, and what the estimate of the total cost will be.

Mr. Radulovich said they had to increase wages to retain qualified groundskeepers.

These rates would be charges outside of the normal scope of work. This is what would be charged to the agencies for work outside of their agreement.

Jim Russell, Director of DFCM explained that this is an internal service fund and they bill every hour to a project, if the work is within their O&M, if it's outside the O&M, the agency would be billed at the garage rate.

That concluded the Facilities Construction and Management presentation. There were no questions from the committee or the public.

Action Items – Vote on FY 2020 Rates and Rate Changes

Commissioner Kiser asked the committee for action to approve the rates and rate changes.

Please refer to 2:10 on recorder (1), page 71, and slide 46 (the slide provided today, not the one in the packet).

Jaceson Maughan made a motion to approve DFCM's rates as proposed by DAS on the updated slide. Natalie Grange seconded the motion. A vote was taken and passed unanimously.

d. **d. Fleet Operations** – Ken Hansen, DAS Deputy Executive Director and

Jeff Mottishaw, Division Director, refer to 2:12 on recorder (1), slides 47-63.

Jeff Mottishaw presented the rates for Fleet Operations. Fleet Operations is made up of four ISF programs. Motor Pool, Fuel Network, State Travel Office, and Transactions team.

Motor Pool Program

There are 7,817 total motor pool vehicles in the State fleet. There are 4,621 cars that are maintained and owned by Fleet Operations. The remaining vehicles are delegated to agencies to maintain. Most of these vehicles are delegated to UDOT and Higher Education.

Maintenance that Fleet provides on the vehicles is done by private sector companies. There are 367 contracts for maintenance.

They are working on some new programs and pilots. They have automated kiosks for dispatching keys, and there are about 1,300 agency vehicles with telematics.

Mr. Mottishaw explained the motor pool debt to the general fund. Since 2014 when the debt to the general fund was at its highest Fleet Operations has taken on many cost saving measures and management strategies to lower this debt. Refer to Slide 49.

To calculate the monthly lease rate for vehicles, refer to slide 50. They start with the contract price of the vehicle, then subtract estimated salvage value, divide it by the number of years the vehicle is expected to be in service, then that becomes the monthly lease rate. There are some administrative fees added on to the monthly rate. There are now higher salvage values, all new vehicles starting in July will receive a 25% salvage value.

Mr. Mottishaw said they would like to recalculate the lease payments for all the existing vehicles, and bring them up to the 25% salvage rate. This would lower the monthly lease payment on existing vehicles.

Mr. Mottishaw reviewed the Retained Earnings slide. Refer to 2:19 on recorder (1), and slide 52. As Fleet Operations has been reducing their costs, they have also be reducing their rate to get their net income close to zero. As they have been repaying the general fund and reducing costs they had a positive net income that is accumulating retained earnings. Their retained earnings is above the 60-day operating line. Fleet Operations will be rebating some of the retained earnings to the Federal Government.

Fleet Operations proposed rate impact recommendation for the Motor Pool Rates, is to bring all vehicles that have a salvage rate less than 25%, up to the 25% salvage rate. That is about a 5.8% reduction for monthly lease costs for their customers.

Fuel Network Program

The Fuel Network program provides fueling services for their customers. They service about 37,000 participating vehicles.

The Fuel Network retained earnings is well within the 60-day operating capital. Refer to Slide 55. There are no proposed rate changes for this program.

State Travel Office Program

The State Travel Office provides services to required users in the state as well as voluntary users.

Mr. Mottishaw reviewed the retained earnings for the State Travel program. Refer to slide 58. There were some changes in programs from the travel card to the p-card which resulted in extra revenue which spiked the retained earnings. The calculated overage is $18,776. They will work to reduce this amount over the next couple of years.

There are no proposed rate recommendations for the State Travel Office.

Transactions Team

The Transactions Team is what is left from the previous Consolidated Budget and Accounting Office (CBA). Refer to slide 60.

Mr. Mottishaw reviewed the retained earnings for the Transactions Team. Refer to slide 61. The costs of the program is billed back to the agencies that are served through this program. There is no net income so there is not any retained earnings.

There are no proposed rate recommendations for the Transactions Team.

Action Items – Vote on FY 2020 Rates and Rate Changes

This concluded Fleet Operations review of their rates. There were no other questions from the committee or the public.

Commissioner Kiser asked for a motion to approve Fleet Operations rates Page 91, slide 63.

Richie Wilcox moved to approve Fleet Operations rate modifications and all existing rates. Becky Bradshaw seconded the motion, a vote was taken and passed unanimously.

e. **Purchasing and General Services** - Ken Hansen, DAS Deputy Executive Director and Christopher Hughes, Division Director

Christopher Hughes, Director, presented the rates for Purchasing and General Services. Refer to 2:27 on recorder (1), Page 105, slide 64-84.

Within the Division on Purchasing and General Services there are for programs that have rates. Cooperative Contracts, State and Federal Surplus Property, Print Services, and State Mail and Distribution Services.

Cooperative Contracts Program

The Division of Purchasing has two major functions for the State of Utah to serve as the central procurement office for state executive branch agencies. They ran 1,773 requisitions through these executive branch agencies, and they serve all public entities in the state who may need help with their individual procurements, they helped post 137 solicitations for public entities.

The Division of Purchasing manages the state's cooperative contract program. There are over 1,000 state cooperative contracts. These contracts are renegotiated and have contract terms. There was over $568.2 million spent in cooperative contract in FY 2018. Refer to slide 67.

More public entities are using the cooperative contracts, they are up to 547 entities using the cooperative for FY 2018.

The committee approved the Division of Purchasing to be allowed up to a 1% administrative fee paid by the vendors on the contracts. The administrative fee they are charging is 0.35%. That is below the national average.

The cooperative contracts retained earnings is above the 60-day operating capital. They reserve enough retained earnings to support the program. There was $1 million transferred from Cooperative Contracts to State Mail and Print services to help lower the debt.

There are no proposed rate recommendation for Cooperative Contracts.

State and Federal Surplus Property programs

State Surplus is divided into two programs the State and Federal Surplus Propter programs. Refer to 2:36 on recorder (1) slide 73.

In FY 2018, State Surplus returned over $6 million to agencies through the surplus program. The surplus program saved over $500,000 to law enforcement agencies through the 1033 program. The Federal Surplus program saved Utah governmental agencies $785.650.

The state surplus program has a large retained earnings balance. In FY 2018 there was a larger than normal increase in net income as more vehicles were surplused, the vehicles are now surplused at a higher than normal rate. In addition some buildings were consolidated with a lot of office equipment surplused.

The Federal Surplus program that put in requests to the federal government for what they are looking for that the federal government may be surplusing. The usually have to only pay shipping costs for these items.

State Surplus will need to relocate in the next few years. They will need to look for a new facility to purchase or lease. That is the retained earnings will help with that.

There are no proposed rate recommendation for the State/Federal Surplus Property.

Print Services Program

There are two Print Services programs. Digital Print Services and State Copy Center.

The Digital Print Services has 1,222 copiers in the program and 59,337,848 impressions made on the leased copiers each year. The copier's lifecycle is two years longer than the national average.

The State Copy Center (Xerox Contract), has 100% accuracy and 100% on-time delivery. There were over 1,200 print jobs in FY 2018, and 5,571,188 impressions.

The net income is higher than normal because $300,000 was transferred from cooperative contracts, to help pay off debt for print services. They will continue to review and monitor the earnings to keep it with in the 60-day operating capital.

There are no proposed rate recommendations for print services.

State Mail and Distribution Services program

Refer to 2:38 on recorder (1) Slides 81-84.

State Mail and Distribution Services Program processed 21,742,737 pieces of mail. That has declined 3% from FY 2017, more people are using digital means, but State Mail services is still a needed program for the State.

Through the mail distribution program the state saved $1,323.626, by helping the United States Postal Service with the processing of the mail. They receive a discount when the mail is processed through state mail. Instead of the USPS charging $.50 per stamp, state mail is charged $.37 per stamp.

State Mail also offers distribution services, and they completed 68,386,506 billable tasks this year, with 99% production completed on time.

State Mail's net income is high for FY 2018, because $700,000 was transferred from cooperative contracts to help with their debt. They beginning to see a positive net income, which will result in a positive retained earnings moving forward.

There is no proposed rate recommendation for State Mail.

That concludes State Purchasing's presentation. There were not questions from the committee or public.

Action Items – Vote on FY 2020 Rates

Commissioner Kiser asked for a motion to approve the rates for Purchasing and General Services. Refer to page 115, slide 84.

Joseph Brown moved to approved all existing rates on slide 84, for Purchasing and General Services. Natalie Grange seconded the motion, a vote was taken and passed unanimously.

III. Adjourn

Commission Kiser thanked the committee for their representation and thanked Tani Downing, Ken Hansen, and Marilee Richins, for a job well done, and for the materials the committee received in advance for the meeting.

Mark Brasher made a motion to adjourn, the motion passed. The meeting adjourned at 12:04 p.m.

DRAFT

Division of Finance

Finance

Purchasing Card

Purchasing and General Services

Facilities Construction and Management

Risk Management

Fleet Operations

DAS

Slide 8

Purchasing Card

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

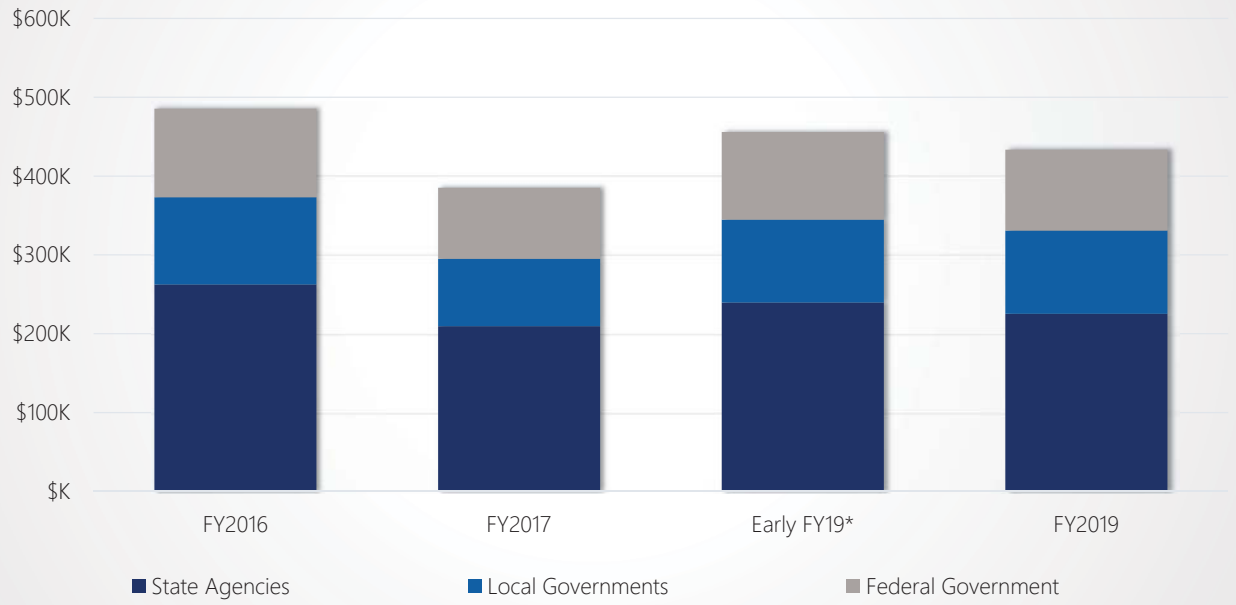
Total purchasing card usage was $32.77 million in CY2018 (3.15% increase)

The net rebate sent to State agencies and local governments was $330,966 (4% decrease)

DAS

Slide 9

Rebates to State Agencies
(Net of Program Costs)

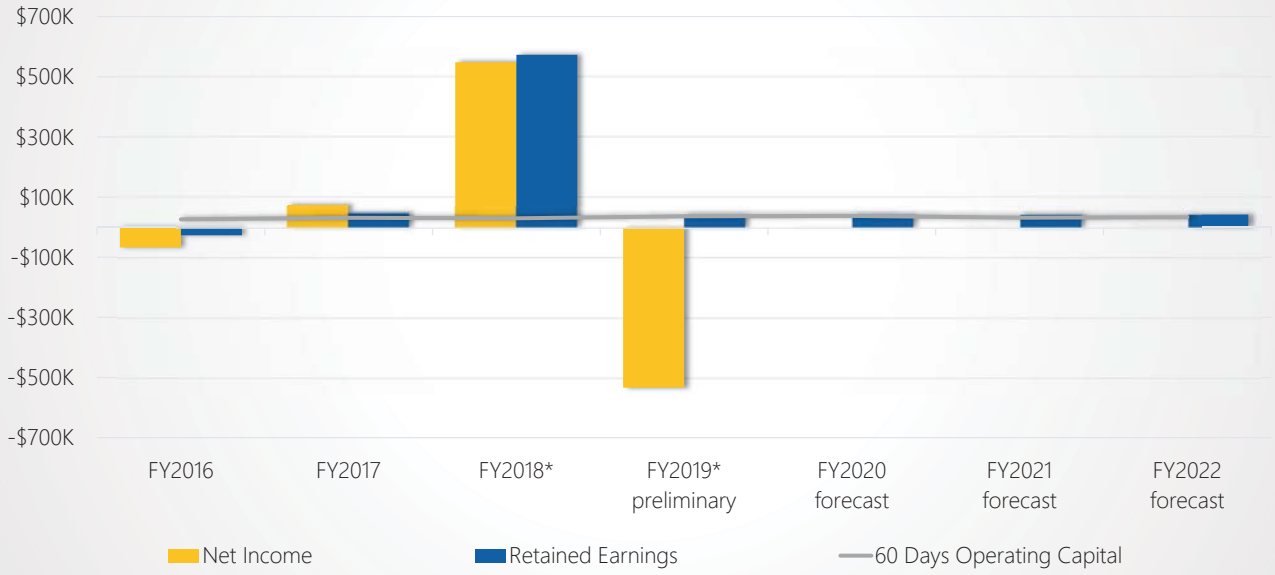


*Fiscal Year 2018 rebate was distributed in early Fiscal Year 2019.

Finance | Purchasing Card

Slide 10

Purchasing Card Retained Earnings



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

Finance | Purchasing Card | Retained Earnings

Slide 11

Purchasing Card Rates

Rate Recommendation

No change to current rate structure

Finance
Rate Committee Action

DAS Recommended Actions

Action	Slide Number or Reference	Change
Approve existing rate	S.B. 8 (2019), Lines 2126-2128	No change

2122 DIVISION OF FINANCE

2126 **ISF - Purchasing Card**
2127 Purchasing Card Variable
2128 Contract rebates

Pro Forma Financial Statements
Purchasing Card

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	-	-	299,084	1,151,784	33,342	35,009	36,759
ACCOUNTS RECEIVABLE	840,964	1,112,241	1,321,840	1,283,493	1,415,778	1,485,624	1,559,905
DUE FROM OTHER FUNDS	1,154,888	3,329,976	1,879,438	-	1,106,980	1,162,329	1,219,503
INVENTORIES	-	-	-	-	-	-	-
PREPAID EXPENSES	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	**1,995,852**	**4,442,217**	**3,500,362**	**2,435,277**	**2,556,100**	**2,682,962**	**2,816,167**
PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LAND / LAND IMPROVEMENTS							
CONSTRUCTION IN PROGRESS							
BUILDINGS AND IMPROVEMENTS							
MACHINERY AND EQUIPMENT							
ACCUMULATED DEPRECIATION							
TOTAL CAPITAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**1,995,852**	**4,442,217**	**3,500,362**	**2,435,277**	**2,556,100**	**2,682,962**	**2,816,167**
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE	1,688,152	2,669,068	2,519,294	2,291,346	2,405,913	2,526,209	2,652,519
ACCRUED LIABILITIES	-	-	12,383	105,088	110,343	115,859	121,652
UNEARNED REVENUE	-	5,000	-	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	58,058	-	-	-	-	-	-
DUE TO OTHER FUNDS	2,658	5,827	395,835	-	-	-	-
POLICY CLAIMS LIABILITIES - SHORT TERM	-	-	-	-	-	-	-
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	**1,748,868**	**2,679,895**	**2,927,512**	**2,396,434**	**2,516,256**	**2,642,068**	**2,774,171**
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	-	-	-	-	-
POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	**273,906**	**1,715,547**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**2,022,774**	**4,395,442**	**2,927,512**	**2,396,434**	**2,516,256**	**2,642,068**	**2,774,171**
CONTRIBUTED CAPITAL	-	-	-	-	-	-	-
RETAINED EARNINGS	(26,922)	46,775	572,850	38,843	39,844	40,894	41,996
TOTAL FUND EQUITY / NET ASSETS	**(26,922)**	**46,775**	**572,850**	**38,843**	**39,844**	**40,894**	**41,996**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**1,995,852**	**4,442,217**	**3,500,362**	**2,435,277**	**2,556,100**	**2,682,962**	**2,816,167**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**572,242**	**644,285**	**702,739**	**563,569**	**591,748**	**621,335**	**652,402**
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	**572,242**	**644,285**	**702,739**	**563,569**	**591,748**	**621,335**	**652,402**
PERSONAL SERVICES	82,819	86,026	90,918	97,344	102,211	107,322	112,688
TRAVEL EXPENSE	-	-	-	-	-	-	-
CURRENT EXPENSE	55,230	56,791	34,708	72,379	36,443	38,265	40,178
CURRENT EXPENSE - DATA PROCESSING	-	24,171	7,973	16,555	17,383	18,252	19,165
DEPRECIATION EXPENSE	-	-	-	-	-	-	-
OTHER EXPENSES	16,709	18,246	21,092	21,602	22,682	23,816	25,007
TOTAL OPERATING EXPENSES	**154,758**	**185,234**	**154,691**	**207,880**	**178,719**	**187,655**	**197,038**
TOTAL OPERATING INCOME (LOSS)	**417,484**	**459,051**	**548,048**	**355,689**	**413,029**	**433,680**	**455,364**
GAIN (LOSS) ON SALE OF FIXED ASSETS							
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS							
REVENUE REBATES TO AGENCIES AND OTHER GOVTS	(372,881)	(295,181)	-	(675,768)	(319,778)	(335,767)	(352,556)
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT	(112,231)	(90,173)	-	(213,928)	(92,250)	(96,863)	(101,706)
OPERATING TRANSFERS IN (OUT)							
NET INCOME (LOSS)	**(67,628)**	**73,697**	**548,048**	**(534,007)**	**1,001**	**1,050**	**1,102**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**109,295**	**(331,964)**	**(1,715,547)**	**299,084**	**1,151,784**	**33,342**	**35,009**
Total Cash from Operations	576,405	(1,797,080)	1,938,678	2,481,353	(647,518)	496,140	520,948
Capital Asset Disposal Proceeds	-	-	-	-	-	-	-
Federal Grants							
State Appropriations							
Other Sources							
TOTAL SOURCES OF CASH	**576,405**	**(1,797,080)**	**1,938,678**	**2,481,353**	**(647,518)**	**496,140**	**520,948**
Cash Used for Operations	(532,552)	798,851	75,953	(738,957)	(58,896)	(61,843)	(64,936)
Payments for Capital Assets	-	-	-	-	-	-	-
State Appropriations							
Other Uses - Rebates and Federal Refunds	(485,112)	(385,354)	-	(889,696)	(412,028)	(432,630)	(454,262)
TOTAL USES OF CASH	**(1,017,664)**	**413,497**	**75,953**	**(1,628,653)**	**(470,924)**	**(494,473)**	**(519,198)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**(331,964)**	**(1,715,547)**	**299,084**	**1,151,784**	**33,342**	**35,009**	**36,759**

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

DAS

Slide 14

Purchasing

Purchasing and General Services | Cooperative Contracts| Overview

DAS

Slide 15

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

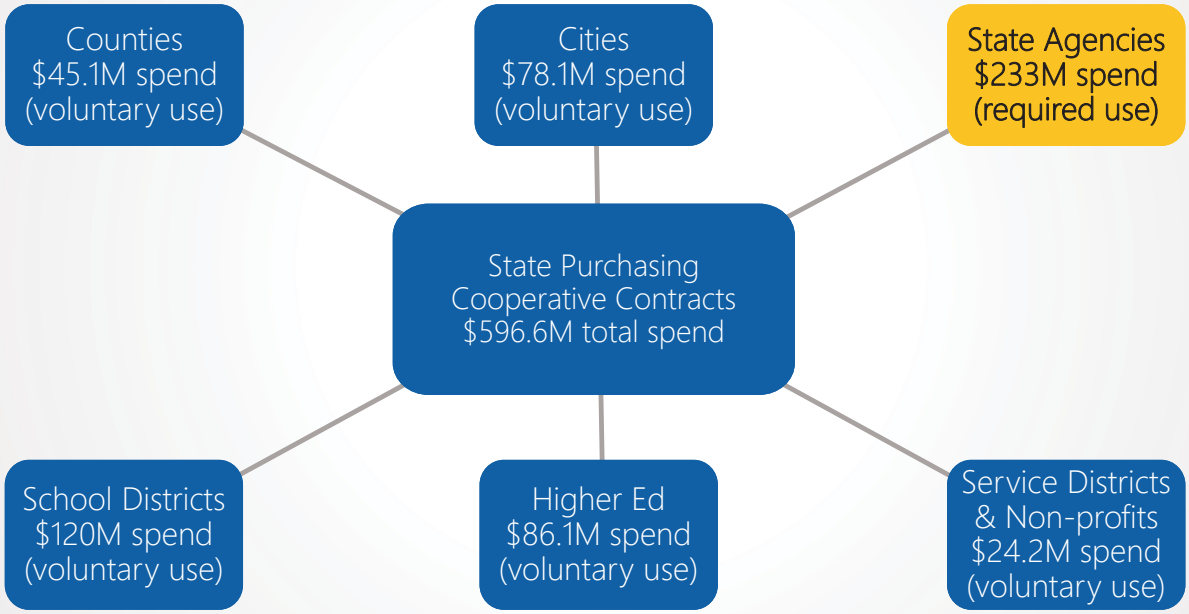
Better contractual terms for public entities

Compliant with the Utah Procurement Code

Save public entities administrative costs in managing contracts

Slide 16

Cooperative Contracts Total Spend



Slide 17

Performance Metrics

H.B. 6, Item 51 (2019)

Average Discount on Cooperative Contracts

Actual 41%

Target: 40%

Total Number of Cooperative Contracts

Actual 1,135

Target: 1000

Total Number of Cooperative Contracts

Actual $596.6 Million

Target: $600 Million

Cooperative Contracts Approved Rate

FY2018 Rate Structure

1%

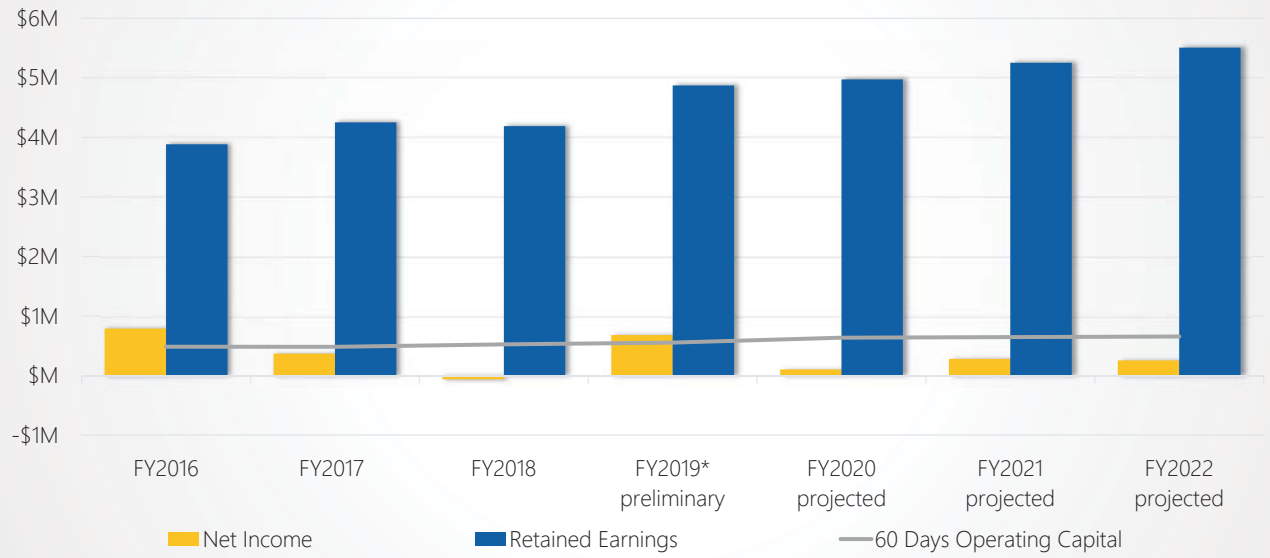
Maximum approved fee

.35%

Average administrative fee

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

Cooperative Contracts Retained Earnings

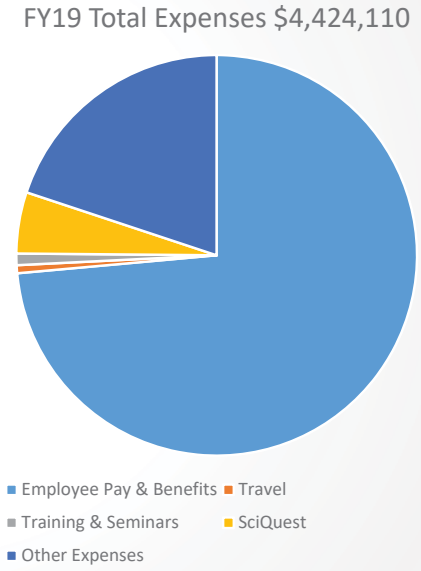


* $1 million was transferred to State Mail and Print Services to help lower debt.

Slide 20

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 21

Cooperative Contracts Rates

Rate Recommendation

No change to current rate structure

State/Federal Surplus Property Programs

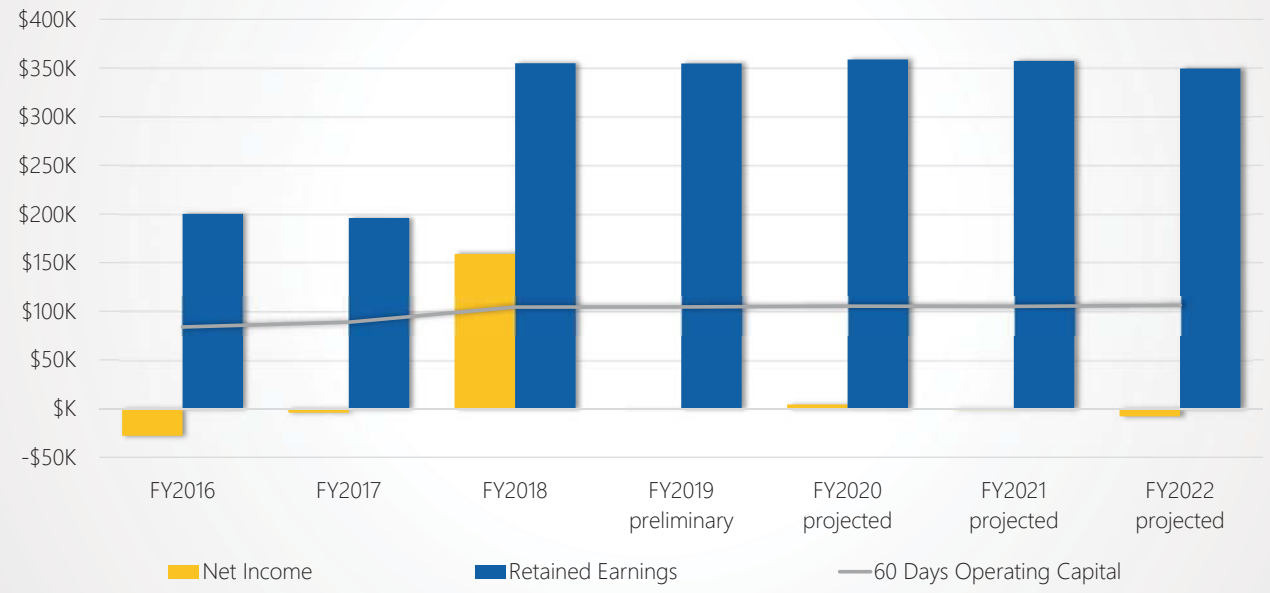
FY 2019

$4,841,349
Returned to agencies through the state surplus program

$462,293
Saved Utah law enforcement agencies through the 1033 program

$1,087,625
Saved Utah governmental agencies through the Federal Donation Program

State Surplus Property Retained Earnings



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

Slide 24

Federal Surplus Property Retained Earnings

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

Slide 25

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 FY2021.

State/Federal Surplus Property Rates

Rate Recommendation

No change to current rate structure

Print Services Program

FY 2019

Digital Print Services
(Copier Lease Program)

62,177,164
impressions

1265
copiers in the program

Average lifecycle is 2 years longer than national average

0%

Charges a 0% interest on a 4 year lease

State Copy Center
(Xerox Contract)

100% accuracy

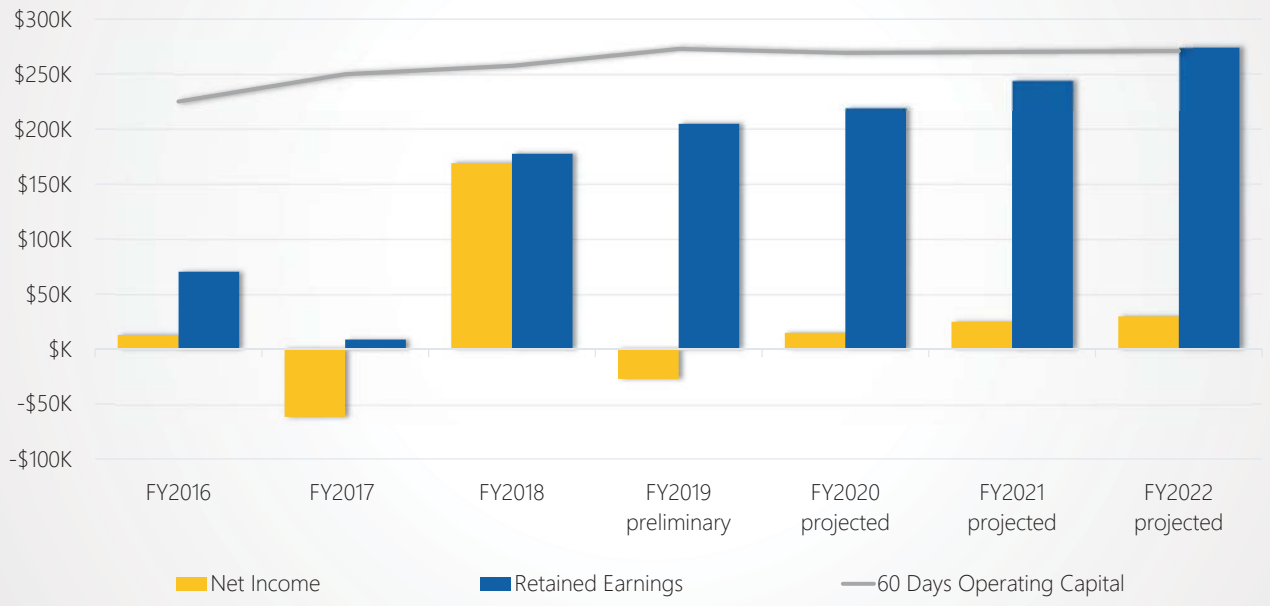
100% on-time delivery

956
print jobs

5,058,093
impressions

Slide 28

Print Services Retained Earnings



Slide 29

Print Services Rates

Rate Recommendation

No change to current rate structure

Mail and Distribution Services Program

FY 2019

22,713,068
Pieces of mail processed

$1,712,496
Cost Avoidance by State Mail for processing mail for USPS

73,042,711
Billable Production Tasks Completed

99% of Production Tasks are completed on time

State Mail Retained Earnings

Slide 32

Mail and Distribution Rates

Rate Recommendation

No change to current rate structure

Slide 33

Purchasing and General Services Rate Committee Action

DAS Recommended Actions

Action	Slide Number or Reference	Change
Approve all existing rates	S.B. 8 (2019) Lines 2189-2264	No change

DIVISION OF PURCHASING AND GENERAL SERVICES	
ISF - Central Mailing	
State Mail	
Courier	
Courier - Zone 1	2.26
Courier - Zone 2	3.88
Courier - Zone 3	8.04
Courier - Zone 4	9.70
Courier - Zone 5	14.35
Courier - Zone 6	17.79
Courier - Zone 7	21.73
Courier - Zone 8	26.42
Courier - Zone 9	28.49
Courier - Zone 10	33.22
Courier - Zone 11	36.02
Courier - Zone 12	39.87
Production	
Incoming OCR Sort	0.103
Business Reply/Postage Due	0.54
Special Handling/Labor (per hour)	85.00
Auto Fold	0.024
Label Generate	0.155
Label Apply	0.15
Auto Tab	0.35
Meter/Seal	0.028
Optical Character Reader	0.028
Additional Insert	0.01
Accountable Mail	1.45

2217 Intelligent Inserting 0.033
2218 **ISF - Cooperative Contracting**
2219 Cooperative Contracts Administrative Up to 1.0%
2220 **ISF - Federal Surplus Property**
2221 Surplus
2222 Federal Shipping and handling charges See formula
2223 Not to exceed 20% of federal acquisition cost plus freight/shipping
2224 charges
2225 Accounts receivable late fees
2226 Past 30 days 5% of balance
2227 Past 60 days 10% of balance
2228 **ISF - Print Services**
2229 Contract Management (per impression) 0.005
2230 Self Service Copy Rates 0.004
2231 Cost computed by: (Depreciation + Maintenance + Supplies)/Impressions
2232 + copy multiplied impressions results
2233 **ISF - State Surplus Property**
2234 Surplus
2235 Surcharge for use of a Financial Transaction Card Up to 3%
2236 Surcharge applies only to the amount charged to a financial transaction
2237 card
2238 Online Sales Non-Vehicle 50% of net proceeds
2239 Miscellaneous Property Pick-up Process
2240 State Agencies
2241 Total Sales Proceeds See formula
2242 Less prorated rebate of retained earnings
2243 Handheld Devices (PDAs and wireless phones)
2244 Less than 1 year old 75% of actual cost
2245 $30 minimum
2246 1 year and older 50% of cost - $30 minimum
2247 Unique Property Processing Negotiated % of sales price
2248 Electronic/Hazardous Waste Recycling Actual cost
2249 Vehicles and Heavy Equipment 6.5% of Net Sale Price plus $100 per Vehicle
2250 Default Auction Bids 10% of sales price
2251 Labor (per hour) 26.00
2252 Half hour minimum
2253 Copy Rates (per copy) 0.10

2254 Semi Truck and Trailer Service (per mile)	1.08
2255 Two-ton Flat Bed Service (per mile)	0.61
2256 Forklift Service (per hour)	23.00
2257 4-6000 lbs	
2258 On-site sale away from Utah State Agency Surplus Property yard	7% of net sale price
2259 Storage	
2260 Building (per cubic foot per month)	0.43
2261 Fenced lot (per square foot per month)	0.23
2262 Accounts receivable late fees	
2263 Past 30 days	5% of balance
2264 Past 60 days	10% of balance

Pro Forma Financial Statements
Cooperative Contracts

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	2,114,225	2,810,354	2,759,675	2,994,250	3,142,130	3,473,268	3,787,257
ACCOUNTS RECEIVABLE	928,365	968,923	1,376,548	1,338,598	1,372,063	1,406,365	1,441,524
DUE FROM OTHER FUNDS	-	1,118	610,932	-	-	-	-
INVENTORIES	-	-	-	-	-	-	-
PREPAID EXPENSES	-	-	600	-	-	-	-
TOTAL CURRENT ASSETS	**3,042,590**	**3,780,395**	**4,747,755**	**4,332,848**	**4,514,193**	**4,879,633**	**5,228,781**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LAND / LAND IMPROVEMENTS							
CONSTRUCTION IN PROGRESS							
BUILDINGS AND IMPROVEMENTS							
MACHINERY AND EQUIPMENT							
SOFTWARE	1,095,412	1,095,412	1,341,912	1,451,986	1,451,986	1,451,986	1,451,986
ACCUMULATED DEPRECIATION	(59,260)	(278,041)	(511,710)	(783,451)	(861,796)	(947,976)	(1,042,773)
TOTAL CAPITAL ASSETS	**1,036,152**	**817,371**	**830,202**	**668,535**	**590,190**	**504,010**	**409,213**
TOTAL ASSETS	**4,078,742**	**4,597,766**	**5,577,957**	**5,001,383**	**5,104,383**	**5,383,643**	**5,637,994**
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE & ACCRUED LIABILITIES	155,764	313,081	181,271	130,024	130,024	130,024	130,024
DEFERRED REVENUE	-	-	-	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	-	-	-	-	-	-	-
DUE TO OTHER FUNDS	38,407	31,728	1,207,633	633	633	633	633
POLICY CLAIMS LIABILITIES - SHORT TERM	-	-	-	-	-	-	-
CAPITAL LEASE PAYABLE-SHORT TERM	-	-	-	-	-	-	-
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	**194,171**	**344,809**	**1,388,904**	**130,657**	**130,657**	**130,657**	**130,657**
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	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**194,171**	**344,809**	**1,388,904**	**130,657**	**130,657**	**130,657**	**130,657**
CONTRIBUTED CAPITAL	-	-	-	-	-	-	-
RETAINED EARNINGS	3,884,571	4,252,957	4,189,053	4,870,726	4,973,726	5,252,986	5,507,337
TOTAL FUND EQUITY / NET ASSETS	**3,884,571**	**4,252,957**	**4,189,053**	**4,870,726**	**4,973,726**	**5,252,986**	**5,507,337**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**4,078,742**	**4,597,766**	**5,577,957**	**5,001,383**	**5,104,383**	**5,383,643**	**5,637,994**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**3,752,419**	**3,677,807**	**4,311,273**	**4,470,685**	**4,200,000**	**4,242,000**	**4,284,420**
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	**3,752,419**	**3,677,807**	**4,311,273**	**4,470,685**	**4,200,000**	**4,242,000**	**4,284,420**
PERSONAL SERVICES	2,023,144	2,164,523	2,136,161	1,818,976	2,878,000	2,935,560	2,994,271
TRAVEL EXPENSE	9,890	17,688	17,172	8,957	13,830	13,830	13,830
CURRENT EXPENSE	419,118	382,132	232,514	173,476	320,670	320,670	320,670
CURRENT EXPENSE - DATA PROCESSING	73,903	142,186	352,296	453,467	104,500	104,500	104,500
DEPRECIATION EXPENSE	59,260	218,781	233,670	271,741	278,000	86,180	94,798
OTHER EXPENSES	377,168	186,162	403,363	862,395	502,000	502,000	502,000
TOTAL OPERATING EXPENSES	**2,962,483**	**3,111,472**	**3,375,176**	**3,589,012**	**4,097,000**	**3,962,740**	**4,030,069**
TOTAL OPERATING INCOME (LOSS)	**789,936**	**566,335**	**936,097**	**881,673**	**103,000**	**279,260**	**254,351**
GAIN (LOSS) ON SALE OF FIXED ASSETS							
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS / OTHER INCOME							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT		(197,950)					
OPERATING TRANSFERS IN (OUT)			(1,000,000)	(200,000)			
NET INCOME (LOSS)	**789,936**	**368,385**	**(63,903)**	**681,673**	**103,000**	**279,260**	**254,351**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**2,678,738**	**2,114,225**	**2,810,354**	**2,759,675**	**2,994,250**	**3,142,130**	**3,473,268**
Total Cash from Sales	3,664,344	3,677,807	4,311,273	4,470,685	4,200,000	4,242,000	4,284,420
Capital Asset Disposal Proceeds	-	-	-	-	-	-	-
Federal Grants							
State Appropriations							
Other Sources							
TOTAL SOURCES OF CASH	**3,664,344**	**3,677,807**	**4,311,273**	**4,470,685**	**4,200,000**	**4,242,000**	**4,284,420**
Cash Used for Operations	(3,133,445)	(2,981,678)	(4,361,952)	(4,126,035)	(4,052,120)	(3,910,862)	(3,970,431)
Payments for Capital Assets	(1,095,412)	-	-	(110,075)	-	-	-
State Appropriations							
Other Uses							
TOTAL USES OF CASH	**(4,228,857)**	**(2,981,678)**	**(4,361,952)**	**(4,236,110)**	**(4,052,120)**	**(3,910,862)**	**(3,970,431)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**2,114,225**	**2,810,354**	**2,759,675**	**2,994,250**	**3,142,130**	**3,473,268**	**3,787,257**

Pro Forma Financial Statements
State Surplus Property

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	25,672	-	59,055	282,046	4,150	4,150	27,262
ACCOUNTS RECEIVABLE	-	-	-	-	-	-	-
DUE FROM OTHER FUNDS	(3,944)	(24,045)	8,559	72,100	8,559	9,000	9,000
INVENTORIES	-	-	-	-	-	-	-
PREPAID EXPENSES	-	-	-	1,034	1,034	-	-
TOTAL CURRENT ASSETS	**21,728**	**(24,045)**	**67,614**	**355,180**	**13,743**	**13,150**	**36,262**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM	8,962	5,054	2,749	2,749	2,749	2,749	2,749
TOTAL OTHER ASSETS	**8,962**	**5,054**	**2,749**	**2,749**	**2,749**	**2,749**	**2,749**
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	71,415	71,415	34,720	34,720
SOFTWARE	85,023	85,023	85,023	85,023	85,023	85,023	85,023
ACCUMULATED DEPRECIATION	(658,612)	(690,943)	(723,209)	(754,190)	(754,190)	(785,190)	(816,190)
TOTAL CAPITAL ASSETS	**663,166**	**630,835**	**598,569**	**604,283**	**604,283**	**536,588**	**505,588**
TOTAL ASSETS	**693,856**	**611,844**	**668,932**	**962,212**	**620,775**	**552,487**	**544,599**
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	16,783	9,898	11,325	16,344	15,000	15,000	15,000
ACCRUED LIABILITIES	6,004	9,054	10,099	109,173	5,000	5,000	5,000
DEFERRED REVENUE	112,789	110,545	128,464	370,769	110,000	110,000	110,000
INTERFUND LOAN (Short Term Cash Deficit)	-	-	-	-	88,003	21,164	21,164
DUE TO OTHER FUNDS	93,450	95,935	52,915	105	2,000	2,000	2,000
POLICY CLAIMS LIABILITIES - SHORT TERM	-	-	-	-	-	-	-
CAPITAL LEASE PAYABLE-SHORT TERM	100,926	100,926	36,029	-	-	-	-
REVENUE BONDS - SHORT TERM	-	329	201	36,029	25,000	25,000	25,000
TOTAL CURRENT LIABILITIES	**329,952**	**326,687**	**239,033**	**532,420**	**245,003**	**178,164**	**178,164**
REVENUE BONDS - LONG TERM	146,793	44,491	57,969	57,969	-	-	-
CAPITAL LEASE PAYABLE-LONG TERM							
CONTRACTS PAYABLE - LONG TERM							
INTERFUND LOAN FROM OTHER FUNDS							
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)	-	27,658	-	201	-	-	-
POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	**146,793**	**72,149**	**57,969**	**58,170**	**-**	**-**	**-**
TOTAL LIABILITIES	**476,745**	**398,836**	**297,002**	**590,590**	**245,003**	**178,164**	**178,164**
CONTRIBUTED CAPITAL	17,092	17,092	17,092	17,092	17,092	17,092	17,092
RETAINED EARNINGS	200,019	195,916	354,838	354,530	358,680	357,231	349,343
TOTAL FUND EQUITY / NET ASSETS	**217,111**	**213,008**	**371,930**	**371,622**	**375,772**	**374,323**	**366,435**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**693,856**	**611,844**	**668,932**	**962,212**	**620,775**	**552,487**	**544,599**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**518,515**	**561,226**	**817,194**	**657,358**	**689,200**	**660,000**	**660,000**
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	**518,515**	**561,226**	**817,194**	**657,358**	**689,200**	**660,000**	**660,000**
PERSONAL SERVICES	284,345	280,189	294,486	315,667	297,550	321,949	328,388
TRAVEL EXPENSE	441	5	-	723	200	500	500
CURRENT EXPENSE	163,831	183,932	233,991	239,337	250,000	225,000	225,000
CURRENT EXPENSE - DATA PROCESSING	50,476	66,361	95,893	67,200	79,300	80,000	80,000
DEPRECIATION EXPENSE	33,450	32,331	32,267	30,981	53,500	31,000	31,000
OTHER EXPENSES	3,709	2,511	1,636	3,758	4,500	3,000	3,000
TOTAL OPERATING EXPENSES	**536,252**	**565,329**	**658,273**	**657,666**	**685,050**	**661,449**	**667,888**
TOTAL OPERATING INCOME (LOSS)	**(17,737)**	**(4,103)**	**158,921**	**(308)**	**4,150**	**(1,449)**	**(7,888)**
GAIN (LOSS) ON SALE OF FIXED ASSETS							
INTEREST INCOME							
INTEREST EXPENSE	(9,350)	-	-	-	-	-	-
FEDERAL GRANTS							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT	(830)						
OPERATING TRANSFERS IN (OUT)							
NET INCOME (LOSS)	**(27,917)**	**(4,103)**	**158,921**	**(308)**	**4,150**	**(1,449)**	**(7,888)**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**(22,941)**	**25,672**	**(27,658)**	**59,055**	**281,845**	**(83,853)**	**(17,014)**
Total Cash from Sales	573,392	561,226	817,194	604,008	640,000	660,000	650,000
Capital Asset Disposal Proceeds	-	-	-	-	-	-	-
Federal Grants							
State Appropriations							
Other Sources							
TOTAL SOURCES OF CASH	**573,392**	**561,226**	**817,194**	**604,008**	**640,000**	**660,000**	**650,000**
Cash Used for Operations	(523,949)	(614,556)	(730,481)	(381,218)	(1,005,698)	(593,161)	(626,888)
Payments for Capital Assets	-	-	-	-	-	-	-
State Appropriations							
Other Uses	(830)	-	-	-	-	-	-
TOTAL USES OF CASH	**(524,779)**	**(614,556)**	**(730,481)**	**(381,218)**	**(1,005,698)**	**(593,161)**	**(626,888)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**25,672**	**(27,658)**	**59,055**	**281,845**	**(83,853)**	**(17,014)**	**6,098**

Pro Forma Financial Statements
Federal Surplus Property

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	81,711	117,024	72,537	12,870	13,120	10,421	6,606
ACCOUNTS RECEIVABLE	4,860	-	-	-	-	-	-
DUE FROM OTHER FUNDS	-	-	-	-	-	-	-
INVENTORIES	-	-	-	-	-	-	-
PREPAID EXPENSES	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	**86,571**	**117,024**	**72,537**	**12,870**	**13,120**	**10,421**	**6,606**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LAND / LAND IMPROVEMENTS							
CONSTRUCTION IN PROGRESS							
BUILDINGS AND IMPROVEMENTS							
MACHINERY AND EQUIPMENT	35,000	35,000	35,000	35,000	35,000	35,000	35,000
ACCUMULATED DEPRECIATION	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
TOTAL CAPITAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**86,571**	**117,024**	**72,537**	**12,870**	**13,120**	**10,421**	**6,606**
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	88	5,005	1,979	3,744	5,000	5,000	5,000
ACCRUED LIABILITIES	-	-	-	-	-	-	-
DEFERRED REVENUE	-	-	-	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	-	-	-	-	-	-	-
DUE TO OTHER FUNDS	1	22	21	21	-	-	-
POLICY CLAIMS LIABILITIES - SHORT TERM	-	-	-	-	-	-	-
CAPITAL LEASE PAYABLE-SHORT TERM	-	-	-	-	-	-	-
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	**89**	**5,027**	**2,000**	**3,765**	**5,000**	**5,000**	**5,000**
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	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**89**	**5,027**	**2,000**	**3,765**	**5,000**	**5,000**	**5,000**
CONTRIBUTED CAPITAL	84,662	84,662	84,662	84,662	84,662	84,662	84,662
RETAINED EARNINGS	1,820	27,335	(14,125)	(75,557)	(76,542)	(79,241)	(83,056)
TOTAL FUND EQUITY / NET ASSETS	**86,482**	**111,997**	**70,537**	**9,105**	**8,120**	**5,421**	**1,606**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**86,571**	**117,024**	**72,537**	**12,870**	**13,120**	**10,421**	**6,606**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**20,563**	**84,886**	**44,921**	**26,831**	**65,000**	**65,000**	**65,000**
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	**20,563**	**84,886**	**44,921**	**26,831**	**65,000**	**65,000**	**65,000**
PERSONAL SERVICES	9,399	36,389	66,277	74,171	54,705	55,799	56,915
TRAVEL EXPENSE		1,314	2,995	887	900	1,500	1,500
CURRENT EXPENSE	14,144	13,206	16,756	12,826	10,000	10,000	10,000
CURRENT EXPENSE - DATA PROCESSING	377	5,460	-	-	-	-	-
DEPRECIATION EXPENSE	1,167	-	-	-	-	-	-
OTHER EXPENSES	689	512	353	379	380	400	400
TOTAL OPERATING EXPENSES	**25,776**	**56,881**	**86,381**	**88,263**	**65,985**	**67,699**	**68,815**
TOTAL OPERATING INCOME (LOSS)	**(5,213)**	**28,005**	**(41,460)**	**(61,432)**	**(985)**	**(2,699)**	**(3,815)**
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)	**(5,213)**	**25,515**	**(41,460)**	**(61,432)**	**(985)**	**(2,699)**	**(3,815)**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**88,153**	**81,711**	**117,024**	**72,537**	**12,870**	**13,120**	**10,421**
Total Cash from Sales	18,305	84,886	44,921	26,831	65,000	65,000	65,000
Capital Asset Disposal Proceeds	-	-	-	-	-	-	-
Federal Grants							
State Appropriations							
Other Sources							
TOTAL SOURCES OF CASH	**18,305**	**84,886**	**44,921**	**26,831**	**65,000**	**65,000**	**65,000**
Cash Used for Operations	(24,747)	(47,083)	(89,408)	(86,498)	(64,750)	(67,699)	(68,815)
Payments for Capital Assets	-	-	-	-	-	-	-
State Appropriations							
Other Uses- retained earnings federal refund		(2,490)					
TOTAL USES OF CASH	**(24,747)**	**(49,573)**	**(89,408)**	**(86,498)**	**(64,750)**	**(67,699)**	**(68,815)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**81,711**	**117,024**	**72,537**	**12,870**	**13,120**	**10,421**	**6,606**

Pro Forma Financial Statements
Print Services

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	-	-	-	-	-	-	222,591
ACCOUNTS RECEIVABLE	26,755	33,238	32,156	36,590	36,590	36,590	36,590
DUE FROM OTHER FUNDS	205,250	52,625	259,726	212,353	212,353	212,353	-
INVENTORIES	-	-	-	-	-	-	-
PREPAID EXPENSES	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	**232,005**	**85,863**	**291,882**	**248,943**	**248,943**	**248,943**	**259,181**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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	9,895,420	9,932,250	10,211,060	10,136,693	10,156,693	10,176,693	10,300,000
ACCUMULATED DEPRECIATION	(7,566,006)	(7,908,142)	(7,597,190)	(7,998,171)	(8,008,171)	(8,018,171)	(8,250,000)
TOTAL CAPITAL ASSETS	**2,344,808**	**2,039,502**	**2,629,264**	**2,153,916**	**2,163,916**	**2,173,916**	**2,065,394**
TOTAL ASSETS	**2,576,813**	**2,125,365**	**2,921,146**	**2,402,859**	**2,412,859**	**2,422,859**	**2,324,575**
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE & ACCRUED LIABILITIES	154,252	282,778	133,578	148,302	148,302	148,302	95,000
DEFERRED REVENUE	-	-	-	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	696,818	178,396	648,562	94,162	89,363	74,607	-
DUE TO OTHER FUNDS	75	237	5,978	63	100	100	100
POLICY CLAIMS LIABILITIES - SHORT TERM	-	-	-	-	-	-	-
CAPITAL LEASE PAYABLE-SHORT TERM	-	-	-	-	-	-	-
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	**851,145**	**461,411**	**788,118**	**242,527**	**237,765**	**223,009**	**95,100**
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	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**851,145**	**461,411**	**788,118**	**242,527**	**237,765**	**223,009**	**95,100**
CONTRIBUTED CAPITAL	1,655,453	1,655,454	1,955,453	1,955,453	1,955,453	1,955,453	1,955,453
RETAINED EARNINGS	70,215	8,500	177,575	204,879	219,641	244,397	274,022
TOTAL FUND EQUITY / NET ASSETS	**1,725,668**	**1,663,954**	**2,133,028**	**2,160,332**	**2,175,094**	**2,199,850**	**2,229,475**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**2,576,813**	**2,125,365**	**2,921,146**	**2,402,859**	**2,412,859**	**2,422,859**	**2,324,575**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**2,547,531**	**2,540,697**	**2,695,676**	**2,756,126**	**2,750,000**	**2,765,000**	**2,800,000**
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	**2,547,531**	**2,540,697**	**2,695,676**	**2,756,126**	**2,750,000**	**2,765,000**	**2,775,000**
PERSONAL SERVICES	217,175	201,643	175,971	195,354	200,238	205,244	210,375
TRAVEL EXPENSE	2,121	2,252	986	-	1,000	1,000	1,000
CURRENT EXPENSE	1,105,056	1,263,699	1,336,455	1,408,619	1,400,000	1,400,000	1,400,000
CURRENT EXPENSE - DATA PROCESSING	2,027	8,491	7,972	7,860	8,000	8,000	8,000
DEPRECIATION EXPENSE	1,194,014	1,131,437	1,015,586	1,138,333	1,150,000	1,150,000	1,150,000
OTHER EXPENSES	24,055	22,750	23,827	25,503	6,000	6,000	6,000
TOTAL OPERATING EXPENSES	**2,544,448**	**2,630,272**	**2,560,797**	**2,775,669**	**2,765,238**	**2,770,244**	**2,775,375**
TOTAL OPERATING INCOME (LOSS)	**3,083**	**(89,575)**	**134,879**	**(19,543)**	**(15,238)**	**(5,244)**	**(375)**
GAIN (LOSS) ON SALE OF FIXED ASSETS	9,606	27,859	34,198	(7,761)	30,000	30,000	30,000
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT							
OPERATING TRANSFERS IN (OUT)			300,000				
NET INCOME (LOSS)	**12,689**	**(61,716)**	**469,077**	**(27,304)**	**14,762**	**24,756**	**29,625**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**(647,762)**	**(696,818)**	**(178,396)**	**(648,562)**	**(94,162)**	**(89,363)**	**(74,607)**
Total Cash from Sales	2,793,643	2,540,698	2,695,676	2,756,126	2,750,000	2,765,000	2,800,000
Capital Asset Disposal Proceeds	20,224	27,859	34,197	(7,761)	30,000	30,000	30,000
Federal Grants							
State Appropriations							
Other Sources	-						
TOTAL SOURCES OF CASH	**2,813,867**	**2,568,557**	**2,729,873**	**2,748,365**	**2,780,000**	**2,795,000**	**2,830,000**
Cash Used for Operations	(1,732,181)	(1,240,437)	(1,594,938)	(1,525,381)	(1,906,617)	(1,782,537)	(1,532,802)
Payments for Capital Assets	(1,130,742)	(809,698)	(1,605,101)	(668,584)	(868,584)	(997,707)	(1,000,000)
State Appropriations							
Other Uses							
TOTAL USES OF CASH	**(2,862,923)**	**(2,050,135)**	**(3,200,039)**	**(2,193,965)**	**(2,775,201)**	**(2,780,244)**	**(2,532,802)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**(696,818)**	**(178,396)**	**(648,562)**	**(94,162)**	**(89,363)**	**(74,607)**	**222,591**

Pro Forma Financial Statements
State Mail

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	-	-	-	-	-	-	-
ACCOUNTS RECEIVABLE	485,435	439,843	420,873	340,484	340,484	340,484	350,000
DUE FROM OTHER FUNDS	755,267	809,837	788,784	685,218	685,218	685,218	685,218
INVENTORIES	1,049,009	1,169,920	1,058,153	1,027,884	1,027,884	1,027,884	1,030,000
PREPAID EXPENSES	-	183,603	-	192,529	192,529	192,529	180,000
TOTAL CURRENT ASSETS	**2,289,711**	**2,603,203**	**2,267,810**	**2,246,115**	**2,246,115**	**2,246,115**	**2,245,218**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LAND / LAND IMPROVEMENTS	-	-	-	-	-	-	-
CONSTRUCTION IN PROGRESS	-	-	-	-	-	-	-
BUILDINGS AND IMPROVEMENTS	161,427	161,427	161,427	161,427	161,427	161,427	161,427
MACHINERY AND EQUIPMENT	2,282,770	2,282,770	2,282,770	2,297,912	2,297,912	2,297,912	2,400,000
ACCUMULATED DEPRECIATION	(1,793,864)	(1,915,425)	(2,035,587)	(2,152,472)	(2,292,472)	(2,432,472)	(2,557,472)
TOTAL CAPITAL ASSETS	**650,333**	**528,772**	**408,610**	**306,867**	**166,867**	**26,867**	**3,955**
TOTAL ASSETS	**2,940,044**	**3,131,975**	**2,676,420**	**2,552,982**	**2,412,982**	**2,272,982**	**2,249,173**
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE & ACCRUED LIABILITIES	115,595	77,065	109,269	88,287	88,287	88,287	88,287
DEFERRED REVENUE	-	-	-	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	-	179,418	795,179		609,841	609,841	609,841
DUE TO OTHER FUNDS	1,306	631	2,533	697	697	697	697
POLICY CLAIMS LIABILITIES - SHORT TERM							
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	**116,901**	**257,114**	**906,981**	**88,984**	**698,825**	**698,825**	**698,825**
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)	3,246,101	3,175,400	1,107,028	1,277,772	1,142,931	966,395	874,413
POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	**3,246,101**	**3,175,400**	**1,107,028**	**1,277,772**	**1,142,931**	**966,395**	**874,413**
TOTAL LIABILITIES	**3,363,002**	**3,432,514**	**2,014,009**	**1,366,756**	**1,841,756**	**1,665,220**	**1,573,238**
CONTRIBUTED CAPITAL	251,509	251,509	951,509	951,509	251,509	251,509	251,509
RETAINED EARNINGS	(674,467)	(552,048)	(289,098)	234,717	319,717	356,253	424,426
TOTAL FUND EQUITY / NET ASSETS	**(422,958)**	**(300,539)**	**662,411**	**1,186,226**	**571,226**	**607,762**	**675,935**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**2,940,044**	**3,131,975**	**2,676,420**	**2,552,982**	**2,412,982**	**2,272,982**	**2,249,173**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**12,637,877**	**11,936,023**	**11,948,710**	**12,611,020**	**12,750,000**	**12,750,000**	**12,750,000**
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	**12,637,877**	**11,936,023**	**11,948,710**	**12,611,020**	**12,750,000**	**12,750,000**	**12,750,000**
PERSONAL SERVICES	2,376,062	2,179,364	2,107,514	2,229,344	2,473,210	2,522,674	2,573,127
TRAVEL EXPENSE	2,539	2,261	7,876	9,557	9,700	9,700	10,000
CURRENT EXPENSE	10,812,046	9,448,333	9,410,226	9,654,706	9,968,390	9,968,390	9,900,000
CURRENT EXPENSE - DATA PROCESSING	52,308	39,240	37,625	53,450	48,500	48,500	48,500
DEPRECIATION EXPENSE	106,013	121,560	120,162	116,885	140,000	140,000	125,000
OTHER EXPENSES	23,287	22,847	22,027	23,266	25,200	25,200	25,200
TOTAL OPERATING EXPENSES	**13,372,255**	**11,813,605**	**11,705,430**	**12,087,208**	**12,665,000**	**12,714,464**	**12,681,827**
TOTAL OPERATING INCOME (LOSS)	**(734,378)**	**122,418**	**243,280**	**523,812**	**85,000**	**35,536**	**68,173**
GAIN (LOSS) ON SALE OF FIXED ASSETS			19,670	3			
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT							
OPERATING TRANSFERS IN (OUT)			700,000				
NET INCOME (LOSS)	**(734,378)**	**122,418**	**962,950**	**523,815**	**85,000**	**35,536**	**68,173**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**(2,803,146)**	**(3,246,101)**	**(3,175,400)**	**(1,107,028)**	**(1,277,772)**	**(1,142,931)**	**(966,395)**
Total Cash from Sales	12,575,274	11,936,023	11,948,710	12,611,020	12,750,000	12,750,000	12,750,000
Capital Asset Disposal Proceeds	-	-	-		-	-	-
Federal Grants							
State Appropriations							
Other Sources							
TOTAL SOURCES OF CASH	**12,575,274**	**11,936,023**	**11,948,710**	**12,611,020**	**12,750,000**	**12,750,000**	**12,750,000**
Cash Used for Operations	(12,917,135)	(11,865,322)	(9,880,338)	(12,772,153)	(12,530,159)	(12,523,464)	(12,608,018)
Payments for Capital Assets	(101,094)	-	-	(9,611)	(85,000)	(50,000)	(50,000)
State Appropriations							
Other Uses							
TOTAL USES OF CASH	**(13,018,229)**	**(11,865,322)**	**(9,880,338)**	**(12,781,764)**	**(12,615,159)**	**(12,573,464)**	**(12,658,018)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**(3,246,101)**	**(3,175,400)**	**(1,107,028)**	**(1,277,772)**	**(1,142,931)**	**(966,395)**	**(874,413)**

Division of Facilities Construction and Management

Finance

Purchasing and General Services

Facilities Construction and Management

Facilities Management

Risk Management

Fleet Operations

DAS

Slide 35

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.

162 Authorized FTEs
152 Current FTEs

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

$36 million FY2020 adjusted revenue

Manage over 7.5 million square feet of space

DAS

Slide 36

Program Efficiencies

DFCM is focused on efficient building operation

Average operations and maintenance costs:
40% below local average
50% below national average

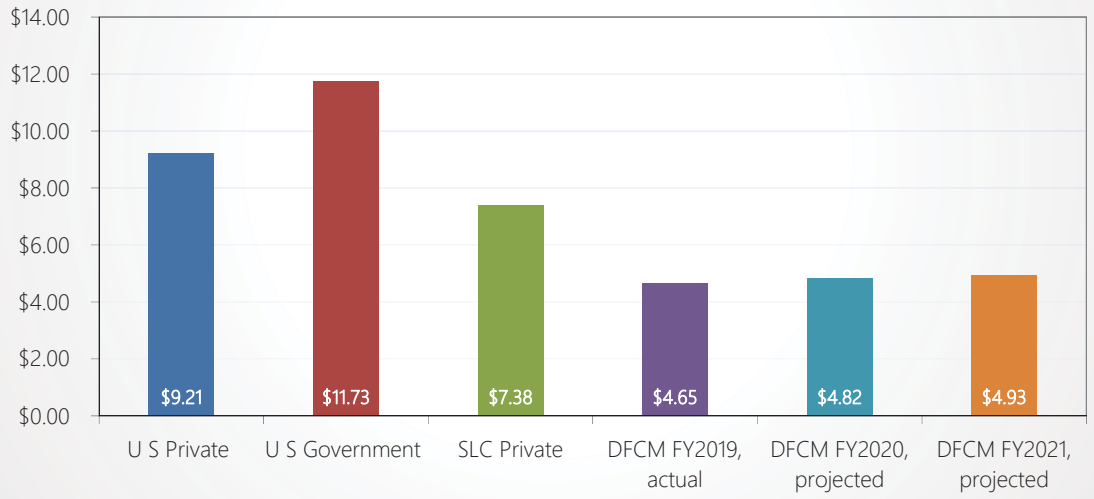
Statewide service through regionalized management groups

Energy efficient by optimizing operating schedules that provide cost savings based on reduced utility usage

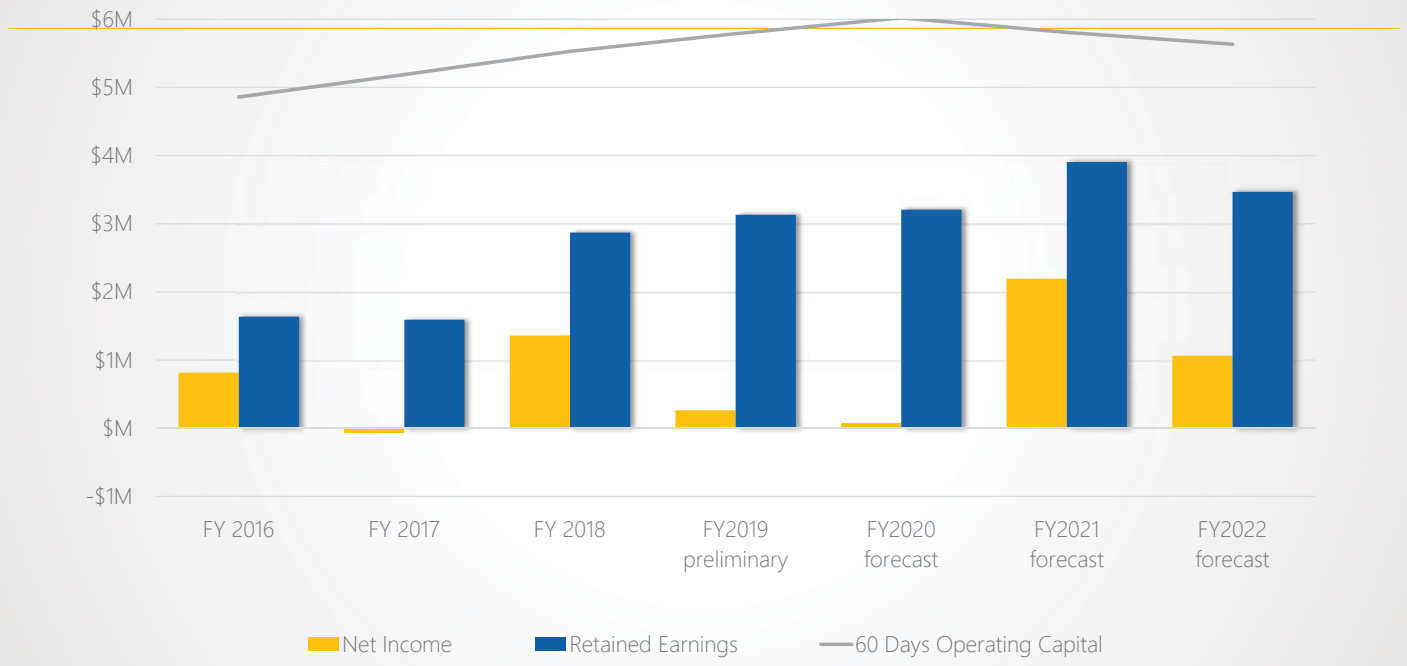
Combination of internal staff and private sector resources to provide cost-effective services

Cost Per Square Foot

Based on BUILDING OWNERS AND MANAGERS ASSOCIATION (BOMA) Data
Calendar Year 2018 Information



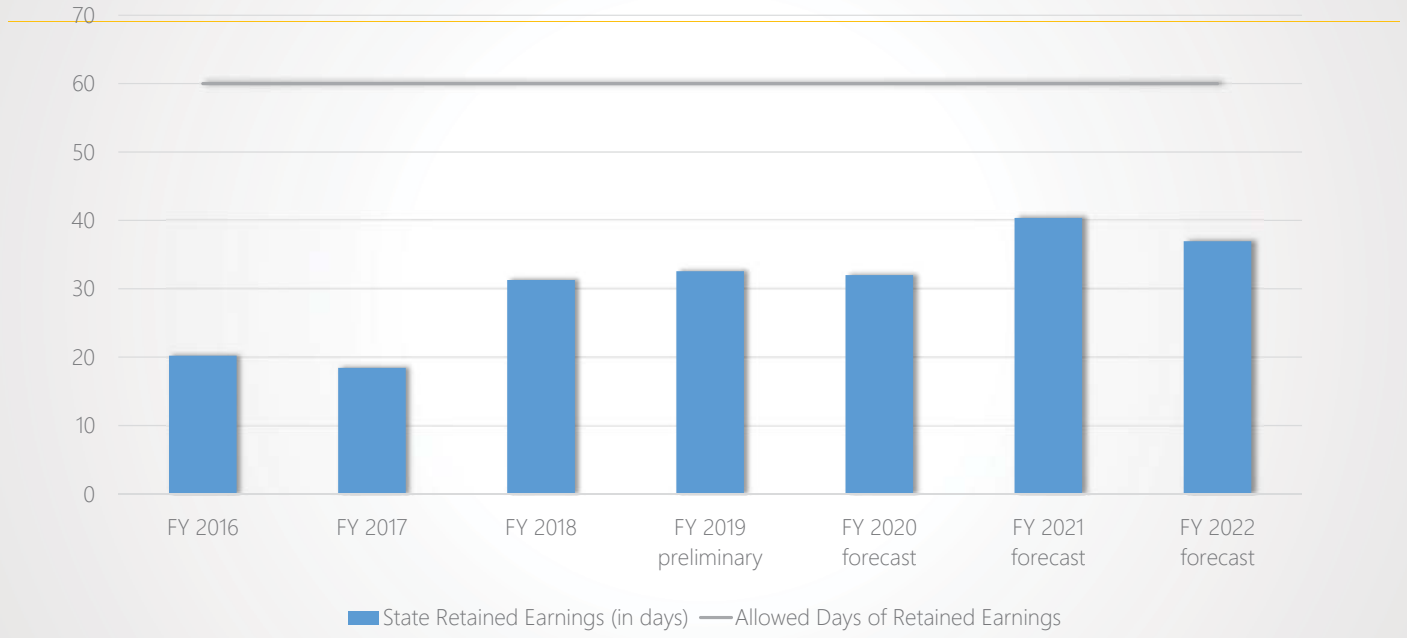
Facilities Management Retained Earnings (Dollars)



DFCM | Facilities Management | Retained Earnings

Slide 39

Facilities Management Retained Earnings (Days)



DFCM | Facilities Management | Retained Earnings

Slide 40

Facilities Management Rates

Rate Recommendation

FY 2021 Rates for Discussion

Unit	Name	Action	Proposed Change Amount	Original sq ft cost	Proposed sq ft cost	Reason	Last Increase	FY 2020	FY 2021
1320	Cedar City Regional	Increase	20,000	6.77	8.64	deficit reduction	FY 2011	72,008.00	92,008.00
1321	Workforce Services Cedar City	Increase	15,000	5.30	6.31	deficit reduction	FY 2016	78,461.00	93,461.00
1370	Navajo Trust Admin Building	Increase	25,000	5.35	6.36	deficit reduction	FY 2003	132,640.00	157,640.00
1378	Spanish Fork Veterinary Lab	Increase	15,000	9.16	13.00	deficit reduction	FY 2017	35,716.03	50,716.03
1505	Human Services Building	Increase	100,000	4.87	6.45	deficit reduction	FY 2014	308,430.70	408,430.70
1559	Governor's Residence	Increase	25,000	8.87	10.33	deficit reduction	FY 2017	152,100.00	177,100.00
1704	Ogden Courts Building	Increase	95,000	5.14	6.18	deficit reduction	FY 2016	467,740.00	562,740.00
1714	Layton Court Building	Increase	25,000	4.04	5.29	deficit reduction	FY 1995	80,896.00	105,896.00
1725	Ogden DMV	Increase	20,000	6.73	8.60	deficit reduction	FY 2015	71,964.00	91,964.00
1754	Workforce Services Logan	Increase	30,000	5.48	6.97	deficit reduction	FY 2014	110,088.00	140,088.00
1801	USDC	Increase	350,000	4.83	5.56	deficit reduction	FY 2017	2,298,357.00	2,648,357.00
	Total Change		720,000						

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Facilities Management Rates

Rate Recommendation

New Programs or Scope Changes - FY 2020 Authorized

Unit	Description	Type	Amount
1464	Lone Peak Forestry & Fire	Additional square footage for warehouse	7,800
1509	Division of Archives	Additional square footage of 2,441	10,716
Not assigned	ABC Store - Saratoga Springs	New	52,020
Not assigned	ABC Store – Farmington	New	52,020
	Total Change		122,566

NOTE: These facilities have been funded to the agency in an earlier appropriation

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Facilities Management Labor (Garage) Rates

Rate Recommendation

FY2021 Request – Garage Rate Adjustments

Labor	FY 2020	FY 2021	Increase (Decrease)
Administrative Staff	$49	$49	N/A
Apprentice Maintenance	$45	$49	8%
Electronics Resource Group	$48	$53	9%
Facilities Manager / Coordinator II	$65	$69	6%
Grounds Manager	$43	$49	12%
Grounds Supervisor	$40	$45	11%
Groundskeeper I	--	$25	N/A
Groundskeeper II	$41	$44	7%
Journey Boiler Operator	$58	$61	5%

Labor	FY 2020	FY 2021	Increase (Decrease)
Journey Carpenter	$52	$58	10%
Journey Electrician	$56	$62	10%
Journey HVAC	$55	$59	7%
Journey Maintenance	$50	$54	7%
Journey Plumber	$54	$60	10%
Maintenance Supervisor	$51	$55	7%
Mechanics	$42	$46	9%
Office Technician	$40	$45	11%
Temp Groundskeeper	$26	$22	-18%

Facilities Construction and Management Rate Committee Action

DAS Recommended Actions

Action	Slide Number or Reference	Change
Approve rate adjustments for eleven programs	41	$720,000
Approve four new programs or scope changes	42	$122,556
Approve Labor (garage) rate adjustments	43	Varies
Approve all other existing rates	S.B. 8 (2019) Lines 1989-2121	No change

1988 DEPARTMENT OF ADMINISTRATIVE SERVICES
1989 DIVISION OF FACILITIES CONSTRUCTION AND MANAGEMENT - FACILITIES MANAGEMENT

1990	New Provo Courts/Terrace	1,320,997.88
1991	DEQ Building	62,788.63
1992	Unified Lab #2	865,836.54
1993	Cedar City DNR	62,790.16
1994	Ivins VA Nursing Home	83,064.39

1995	Spanish Fork Veterinary Lab	35,716.03
1996	Payson VA Nursing Home	99,105.70
1997	Vernal Drivers License	34,615.00
1998	Ogden VA Nursing Home	52,945.37
1999	Garage-Journey Boiler Operator	58.00
2000	Garage-Journey Carpenter	52.00
2001	Garage-Journey Plumber	54.00
2002	Utah State Developmental Center	2,298,357.00
2003	Lone Peak Forestry & Fire	38,020.65
2004	Alcoholic Beverage Control Stores	1,775,709.50
2005	Price Public Safety	90,897.00
2006	Ogden Juvenile Court	444,038.00
2007	Garage-Administrative Staff	49.00
2008	Garage-Apprentice Maintenance	45.00
2009	Garage-Electronic Resource	48.00
2010	Garage-Facilities Manager / Coord II	65.00
2011	Garage-Groundskeeper II	41.00
2012	Garage-Grounds Manager	43.00
2013	Garage-Grounds Supervisor	40.00
2014	Garage-Journey Electrician	56.00
2015	Garage-Journey HVAC	55.00
2016	Garage-Journey Maintenance	50.00
2017	Garage-Maintenance Supervisor	51.00
2018	Garage-Mechanic	42.00
2019	Garage-Office Technician	40.00
2020	Garage-Temp Groundskeeper	26.00
2021	Wasatch Courts	9,577.00
2022	Chase Home	17,428.00
2023	Vernal DNR Regional	80,394.00
2024	Clearfield Warehouse C6 - Archives	149,410.32
2025	Clearfield Warehouse C7 - DNR/DPS	102,837.00
2026	Cedar City A P & P	28,444.00
2027	N UT Fire Dispatch Center	30,438.66
2028	Veteran's Memorial Cemetery	24,464.00
2029	Alcoholic Beverage Control Administration	805,415.00
2030	Juab County Court	76,798.00
2031	Agriculture	356,706.00

2032	Adult Probation and Parole Freemont Office Building	192,375.00
2033	Archive Building	110,619.00
2034	Brigham City Court	169,400.00
2035	Brigham City Regional Center	573,808.00
2036	Calvin Rampton Complex	1,602,863.00
2037	Cannon Health	860,515.00
2038	Capitol Hill Complex	3,809,700.00
2039	Cedar City Courts	103,520.00
2040	Cedar City Regional Center	72,008.00
2041	Department of Administrative Services Surplus Property	59,747.00
2042	Department of Public Safety	
2043	DPS Crime Lab	42,000.00
2044	DPS Drivers License	185,577.00
2045	DPS Farmington Public Safety	68,425.00
2046	Fairpark Driver's License Division	61,571.00
2047	Dixie Drivers License	62,928.00
2048	Driver License West Valley	98,880.00
2049	Division of Services for the Blind and Visually Impaired Training Housing	49,736.00
2050	Farmington 2nd District Courts	537,465.00
2051	Glendinning Fine Arts Center	45,000.00
2052	Governor's Residence	152,156.00
2053	Heber M. Wells	936,679.00
2054	Highland Regional Center	331,766.40
2055	Human Services	
2056	DHS Clearfield East	127,306.00
2057	DHS Ogden - Academy Square	299,834.00
2058	DHS - Vernal	74,117.00
2059	Layton Court	80,896.00
2060	Logan 1st District Court	379,267.00
2061	Medical Drive - Family Health	260,640.00
2062	Moab Regional Center	112,533.00
2063	Murray Highway Patrol	141,738.00
2064	Natural Resources	745,072.00
2065	Natural Resources Price	124,323.00
2066	Natural Resources Richfield (Forestry)	71,519.52
2067	Navajo Trust Fund Administration	132,640.00
2068	Office of Rehabilitation Services	204,156.00

2069	Ogden Court	467,740.00
2070	Ogden Juvenile Probation	211,134.00
2071	Ogden Regional Center	749,366.80
2072	Orem Circuit Court	120,792.00
2073	Orem Public Safety	105,640.00
2074	Orem Region Three Department of Transportation	141,192.00
2075	Provo Court	299,400.00
2076	Provo Juvenile Courts	173,940.00
2077	Provo Regional Center	664,011.00
2078	Public Safety Depot Ogden	34,822.00
2079	Richfield Court	106,535.68
2080	Richfield Dept. of Technology Services Center	39,000.00
2081	Richfield Regional Center	75,499.00
2082	Rio Grande Depot	493,565.00
2083	Salt Lake Court	1,868,160.00
2084	Salt Lake Government Building #1	972,934.00
2085	Salt Lake Regional Center - 1950 West	250,492.00
2086	St. George Courts	515,353.00
2087	St. George DPS	49,572.00
2088	St. George Tax Commission	64,224.00
2089	State Library	183,714.00
2090	State Library State Mail	156,261.00
2091	State Library Visually Impaired	124,027.00
2092	Taylorsville Center for the Deaf	138,681.00
2093	Taylorsville Office Building	185,250.00
2094	Tooele Courts	311,351.00
2095	Unified Lab	883,894.00
2096	Utah Arts Collection	43,900.00
2097	Utah State Office of Education	410,669.00
2098	Utah State Tax Commission	970,200.00
2099	Vernal 8th District Court	248,649.00
2100	Vernal Division of Services for People with Disabilities	31,330.00
2101	Vernal Juvenile Courts	20,256.00
2102	West Jordan Courts	557,835.00
2103	West Valley 3rd District Court	148,350.00
2104	Work Force Services	
2105	DWS/DHS - 1385 South State	308,430.70

2106	DWS Administration	685,930.00
2107	DWS Brigham City	46,304.00
2108	DWS Call Center	200,317.00
2109	DWS Cedar City	78,461.00
2110	DWS Clearfield/Davis County	180,633.00
2111	DWS Logan	110,088.00
2112	DWS Metro Employment Center	252,776.00
2113	DWS Midvale	135,640.00
2114	DWS Ogden	153,748.00
2115	DWS Provo	144,970.00
2116	DWS Richfield	58,072.00
2117	DWS South County Employment Center	176,196.00
2118	DWS St. George	66,452.00
2119	DWS Vernal	73,702.00
2120	Ogden Division of Motor Vehicles and Drivers License	71,964.00
2121	Ogden Radio Shop	16,434.00

Pro Forma Financial Statements
DFCM ISF Maintenance

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	3,404,489	3,465,324	4,774,330	4,993,072	4,983,897	5,417,140	5,372,098
ACCOUNTS RECEIVABLE	29,083	6,131	72,986	66,900		20,756	20,756
DUE FROM OTHER FUNDS	375,130	220,234	709,674	-	233,440	33,440	33,440
INVENTORIES	-	-	-	-	-	-	-
PREPAID EXPENSES	33,979	51,816	54,973	77,907	44,686	48,728	53,647
TOTAL CURRENT ASSETS	**3,842,681**	**3,743,506**	**5,611,964**	**5,137,879**	**5,262,023**	**5,520,065**	**5,479,941**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM	305,313	267,989	227,100	182,414	183,022	134,294	80,647
TOTAL OTHER ASSETS	**305,313**	**267,989**	**227,100**	**182,414**	**183,022**	**134,294**	**80,647**
LAND / LAND IMPROVEMENTS	-	-	-	-	-	-	-
CONSTRUCTION IN PROGRESS	-	-	-	-	-	-	-
BUILDINGS AND IMPROVEMENTS	-	-	-	-	-	-	-
MACHINERY AND EQUIPMENT	615,449	523,991	553,658	637,924	757,924	782,924	807,924
INTANGIBLE ASSETS - SOFTWARE	120,000	120,000	120,000	120,000	120,000	120,000	120,000
ACCUMULATED DEPRECIATION	(670,673)	(582,307)	(604,648)	(635,060)	(671,901)	(706,413)	(729,306)
TOTAL CAPITAL ASSETS	**64,776**	**61,684**	**69,011**	**122,865**	**206,023**	**196,511**	**198,618**
TOTAL ASSETS	**4,212,770**	**4,073,179**	**5,908,075**	**5,443,158**	**5,651,069**	**5,850,870**	**5,759,206**
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	1,758,826	1,766,327	2,238,460	2,008,331	1,915,354	1,464,258	1,857,459
ACCRUED LIABILITIES	415,061	364,463	406,872	66,510	300,000	300,000	300,000
UNEARNED REVENUE	-	9,600	4,800	4,900	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	-	-	-	-	-	-	-
DUE TO OTHER FUNDS	62,751	35,552	119,831	3,641	-	-	-
CONTRACTS NOTES PAYABLE - SHORT TERM	33,979	37,324	40,889	44,686	44,686	48,728	53,647
CAPITAL LEASE PAYABLE-SHORT TERM	-	-	-	-	-	-	-
REVENUE BONDS - SHORT TERM	-	-	-	-	-	-	-
TOTAL CURRENT LIABILITIES	**2,270,617**	**2,213,265**	**2,810,852**	**2,128,068**	**2,260,040**	**1,812,987**	**2,211,106**
REVENUE BONDS - LONG TERM	-	-	-	-	-	-	-
CAPITAL LEASE PAYABLE-LONG TERM	-	-	-	-	-	-	-
CONTRACTS PAYABLE - LONG TERM	305,313	267,989	227,100	182,414	183,022	134,294	80,647
INTERFUND LOAN FROM OTHER FUNDS	-	-	-	-	-	-	-
INTERFUND LOAN FROM GENERAL FUND (Long Term Cash Deficit)	-	-	-	-	-	-	-
POLICY CLAIMS LIABILITIES - LONG-TERM	-	-	-	-	-	-	-
TOTAL LONG-TERM LIABILITIES	**305,313**	**267,989**	**227,100**	**182,414**	**183,022**	**134,294**	**80,647**
TOTAL LIABILITIES	**2,575,929**	**2,481,254**	**3,037,952**	**2,310,482**	**2,443,062**	**1,947,281**	**2,291,753**
CONTRIBUTED CAPITAL							
RETAINED EARNINGS - DESIGNATED	150,000	150,000	150,000	150,000	150,000	150,000	150,000
RETAINED EARNINGS	1,486,840	1,441,925	2,720,123	2,982,676	3,058,007	3,753,590	3,317,453
TOTAL FUND EQUITY / NET ASSETS	**1,636,840**	**1,591,925**	**2,870,123**	**3,132,676**	**3,208,007**	**3,903,589**	**3,467,452**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**4,212,769**	**4,073,179**	**5,908,075**	**5,443,158**	**5,651,069**	**5,850,870**	**5,759,206**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (after proposed rate impacts)	**30,005,083**	**31,039,083**	**34,325,409**	**34,841,442**	**36,114,200**	**36,954,200**	**34,774,475**
PERSONAL SERVICES (5101-5300)	7,845,739	8,613,986	9,752,004	10,608,804	11,483,532	11,744,579	9,385,491
TRAVEL EXPENSE (6001-6057)	19,163	19,996	15,117	27,971	117	117	20,103
CURRENT EXPENSE (6115-6296)(6407) (6730) (7901)	20,672,668	21,657,197	22,563,434	23,210,531	24,375,003	22,760,841	23,673,104
CURRENT EXPENSE - DATA PROCESSING (6500-6595 & 6467-6471)	398,466	449,066	510,510	561,292	6,754	3,575	394,026
DEPRECIATION EXPENSE (6792)	18,505	27,541	28,488	30,412	36,947	34,512	22,893
OTHER EXPENSES (SWCAP) (7520-7593)	221,896	362,752	190,517	215,886	219,921	301,810	301,810
TOTAL OPERATING EXPENSES	**29,176,437**	**31,130,536**	**33,060,069**	**34,654,896**	**36,122,274**	**34,845,433**	**33,797,428**
TOTAL OPERATING INCOME (LOSS)	**828,646**	**(91,453)**	**1,265,339**	**186,545**	**(8,074)**	**2,108,767**	**977,047**
GAIN (LOSS) ON SALE OF FIXED ASSETS (2777)	-	13,903	2,530	-	-	-	-
INTEREST INCOME (4584)	58	90	145	227	39	39	39
INTEREST EXPENSE (6264)	(12,758)	(15,657)	(4,145)	(12,119)	(10,094)	(7,882)	(7,882)
PROPERTY LEASES (2805)	500	90,396	97,017	87,900	93,459	94,659	94,659
FEDERAL GRANTS	-	-	-	-	-	-	-
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT (759:	-	(12,080)	-	-	-	-	-
OPERATING TRANSFERS IN (OUT) (8500)	-	(54,564)	-	-	-	-	-
NET INCOME (LOSS)	**816,446**	**(69,364)**	**1,360,886**	**262,553**	**75,331**	**2,195,583**	**1,063,863**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**2,650,429**	**3,404,489**	**3,465,324**	**4,774,330**	**4,993,072**	**4,983,897**	**5,417,140**
Total Cash from Sales	30,005,083	31,039,083	34,325,409	34,841,442	36,143,769	35,554,200	33,754,837
Capital Asset Disposal Proceeds	-	13,903	2,530	-	-	-	-
Federal Grants	-	-	-	-	-	-	-
State Appropriations	-	-	-	-	-	-	-
Other Sources - Lease Payments (code 2805)	-	90,396	97,017	92,800	93,459	94,659	94,659
Other Sources - Interest Earnings	58	90	145	208	39	39	39
TOTAL SOURCES OF CASH	**30,005,141**	**31,143,473**	**34,425,100**	**34,934,449**	**36,237,267**	**35,648,898**	**33,849,535**
Cash Used for Operations	(29,211,322)	(30,991,544)	(33,080,281)	(34,589,784)	(36,044,642)	(35,140,655)	(33,819,577)
Payments for Capital Assets	(39,758)	(24,449)	(35,814)	(75,923)	(151,800)	(25,000)	(25,000)
State Appropriations	-	(54,564)	-	(50,000)	(50,000)	(50,000)	(50,000)
Other Uses - Federal Refund	-	(12,080)	-	-	-	-	-
TOTAL USES OF CASH	**(29,251,080)**	**(31,082,638)**	**(33,116,095)**	**(34,715,708)**	**(36,246,442)**	**(35,215,655)**	**(33,894,577)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**3,404,489**	**3,465,324**	**4,774,330**	**4,993,072**	**4,983,897**	**5,417,140**	**5,372,098**

Division of Risk Management

Finance
Purchasing and General Services
Facilities Construction and Management

Risk Management

- Liability
- Property
- Auto
- Workers Compensation
- Learning Management System

Fleet Operations

DAS

Slide 35

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

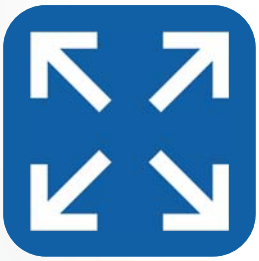
Risk Management | Overview

DAS

Slide 36

Insurance

Risk Management has some advantages over traditional insurance providers

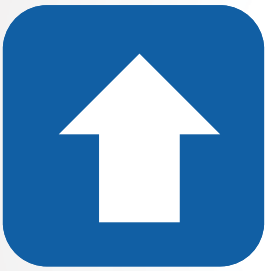


Broader coverage for less money

Pool members share the impact of rate increases

Slide 37

Rates Can Change



Increased claims costs from the past year

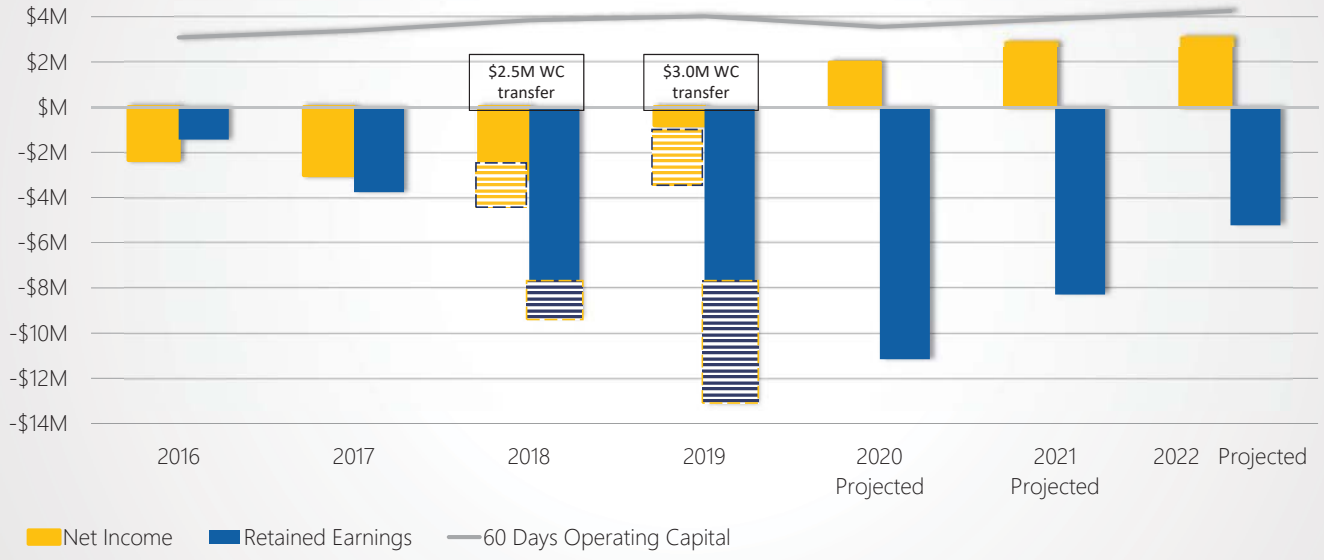
Claims roll off an agency's 5-year history

Insurance market changes

Slide 38

Liability Program

Liability Retained Earnings



Liability Reserve Status

Actuarial Projection

$60,414,000

Balance

$54,063,987

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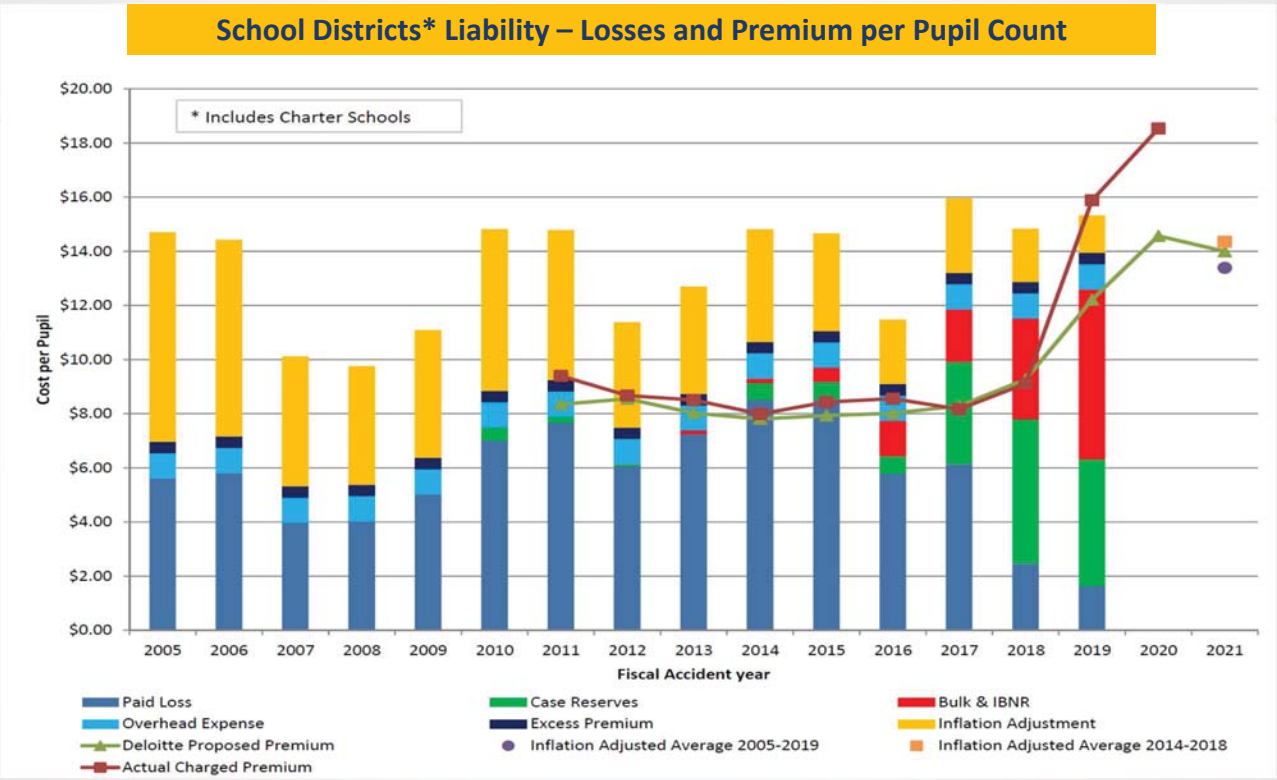
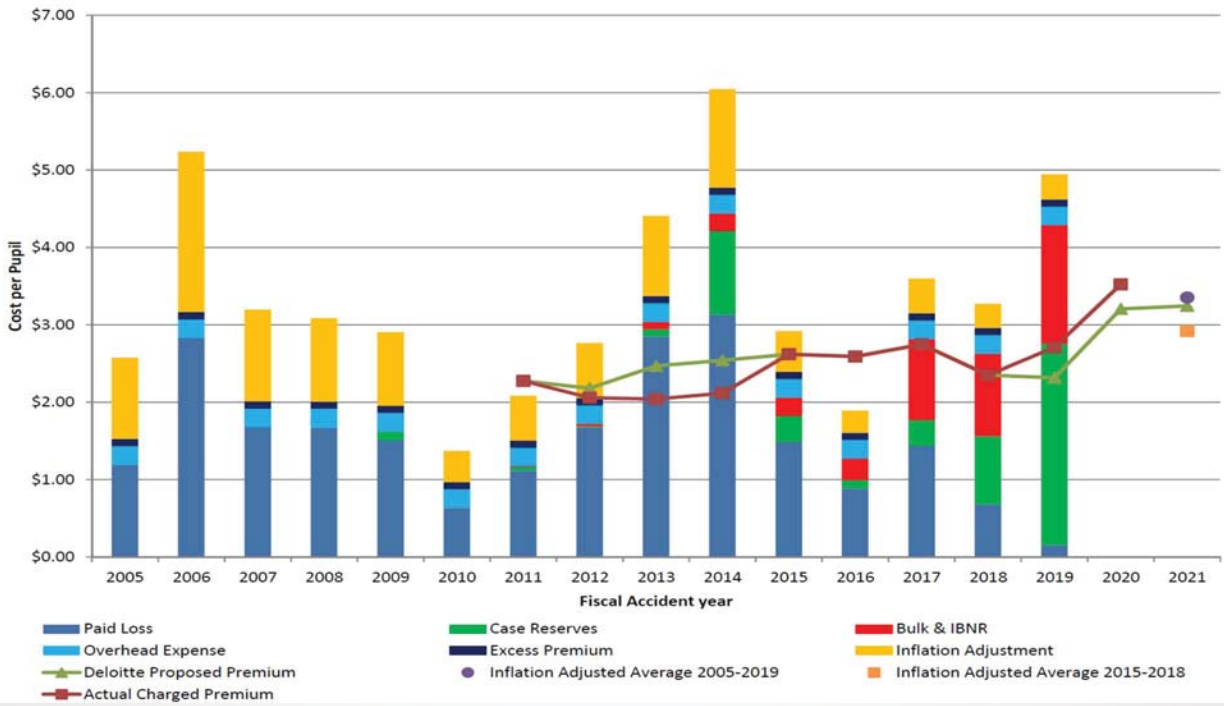


Slide 42

Higher Ed Liability – Losses and Premium per Pupil Count

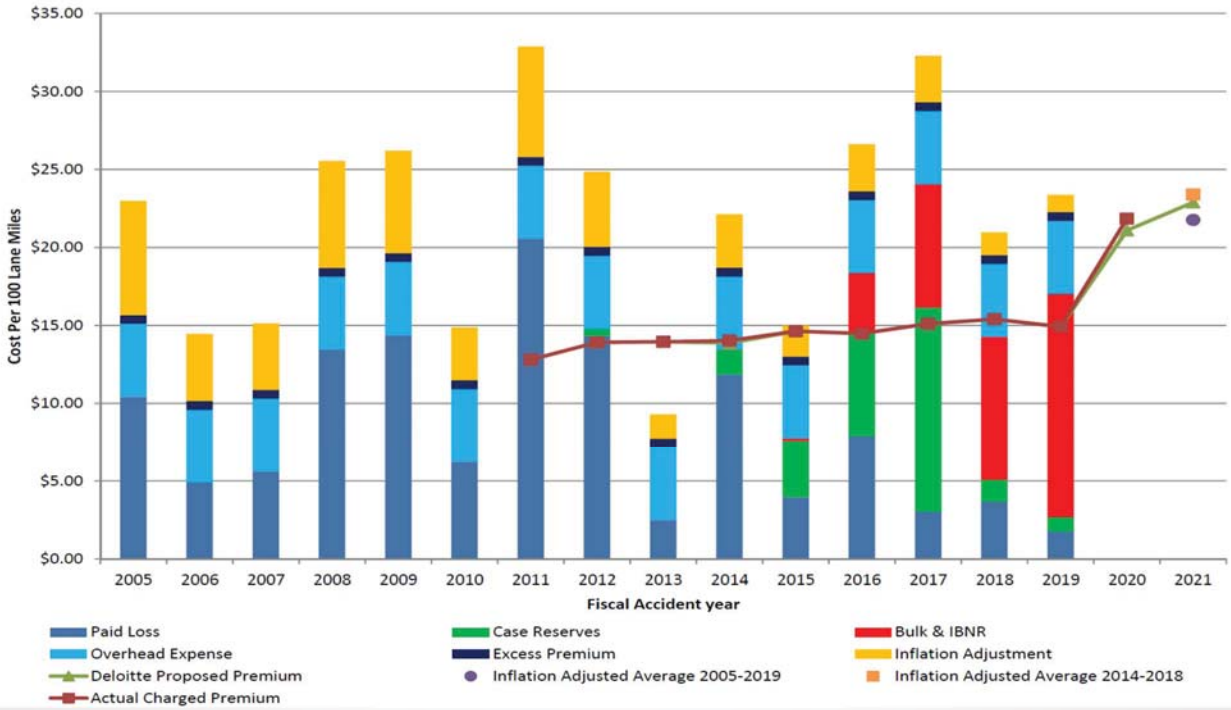


Risk Management | Liability Insurance

*School Districts include Charter Schools.

Slide 43

UDOT Liability – Losses and Premium per 100 Lane Miles



Risk Management | Liability Insurance

*School Districts include Charter Schools.

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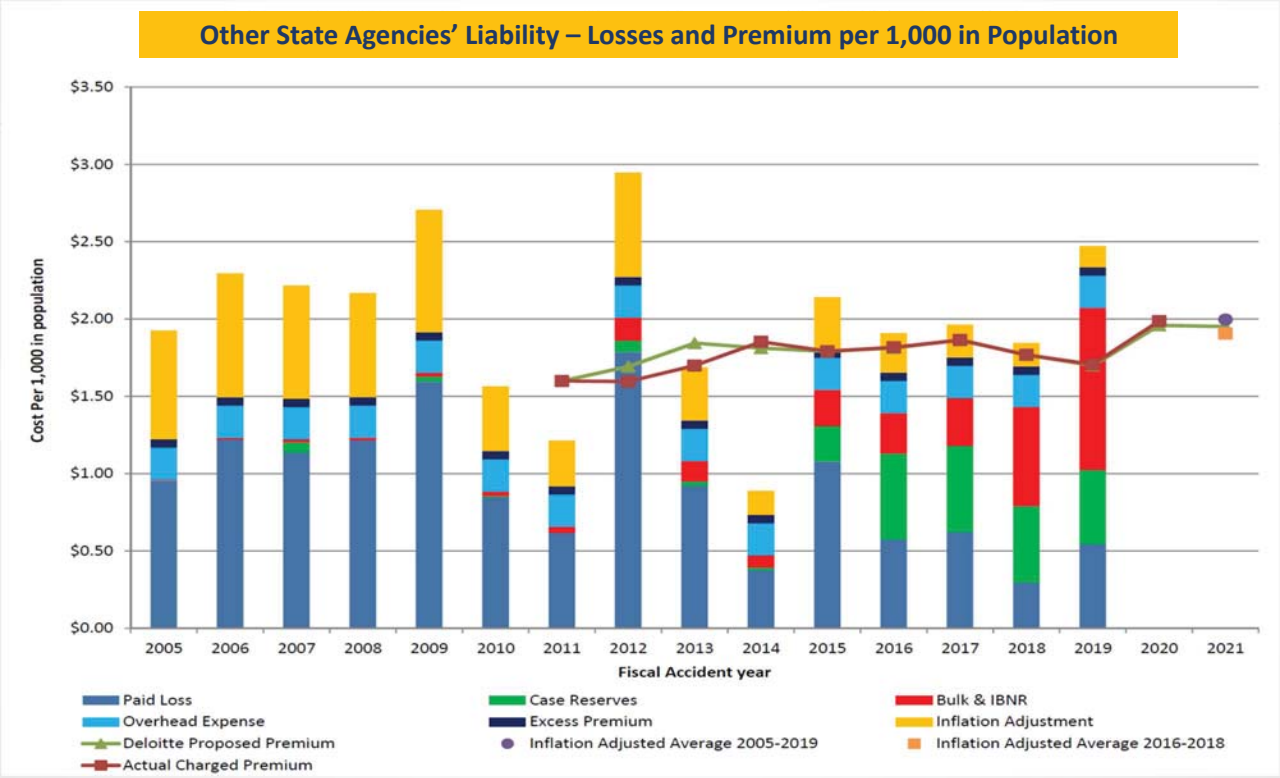


*School Districts include Charter Schools.

Liability Rate Increase/Allocation

Liability premiums will increase by $990,853 (3.7%) in FY2021

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

Liability Premiums by Risk Pool

Re-capturing Historical Losses

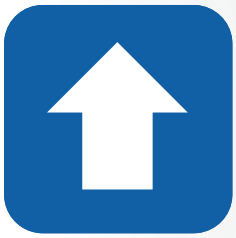
Rate Recommendation

Premium Projections
(Numbers in Thousands)

Risk Pool	Premiums FY2020	Premiums FY2021	Change Total	Change Percent
School Districts & Charter Schools	$11,216	$10,973	$(243)	-2.2%
Department of Transportation	$3,619	$3,810	$191	5.3%
Higher Education	$4,692	$6,439	$1,747	37.2%
Other Agencies	$7,167	$6,463	$(704)	-9.8%
Total	$26,694	$27,685	$991	3.7%

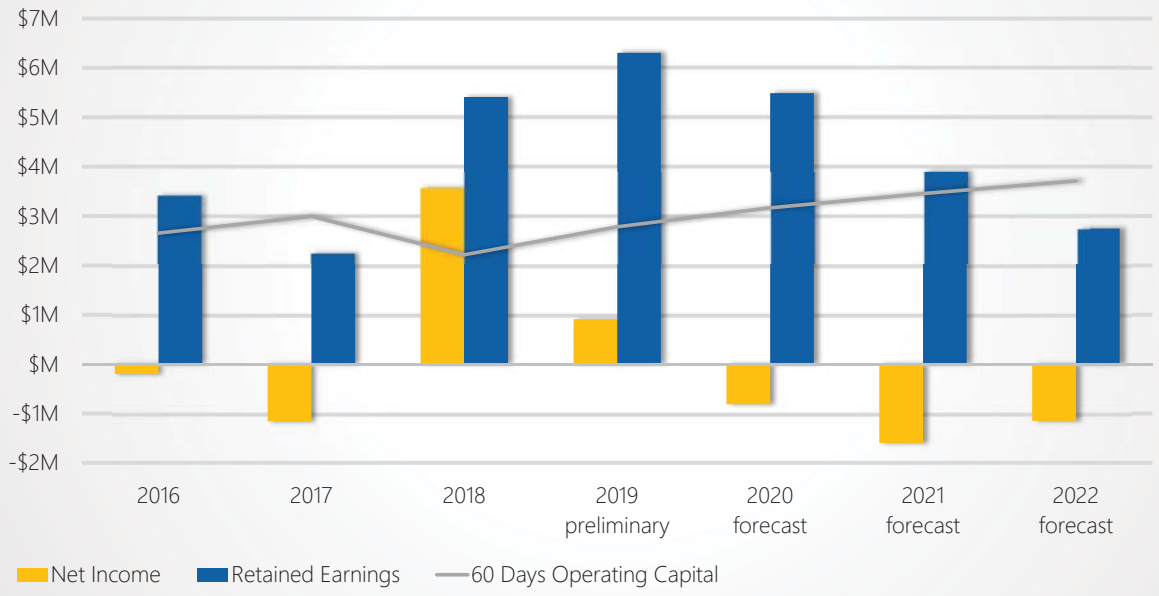
Property Premiums

Adopted actuarial-based process. Recommend large (50%) rate increase for Higher Education phase in over 3 years.



Recommend $65,954 premium increase (0.4% increase from FY2020 – 2021)

Property Retained Earnings



Methodology/Transfer

- Actuarial methodology—adds exposure and experience to replacement cost process
- Replaces opaque/antiquated premium tables with transparent/equitable allocation methodology
- Aggregate premium increase of 0.4% will help reduce the excess retained earnings balance
- Proposing transfer of $4.2M from the Property Fund (contributed capital) to the Liability Fund

Property Premiums by Risk Pool

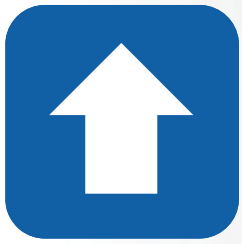
Rate Recommendation

Premium Projections
(Numbers in Thousands)

Risk Pool	Premiums FY2020	Premiums FY2021	Change Total	Change Percent
School Districts & Charter Schools	$8,803	$8,047	$(756)	-8.6%
Higher Education	$6,122	$7,217	$1,095	17.9%
State Agencies	$3,883	$3,610	$(273)	-7.0%
Total	$18,808	$18,874	$66	0.4%

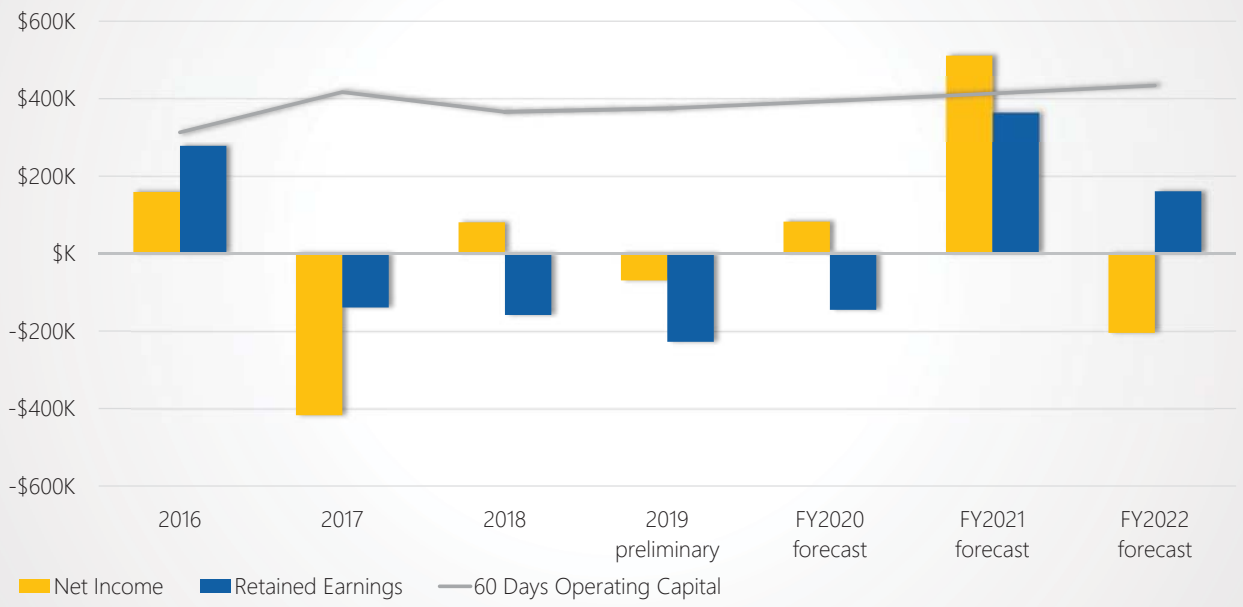
Auto Premiums

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



Auto premiums will increase 22% in FY2021. Premiums have been calculated by an actuary for the second year.

Auto Retained Earnings



Auto Physical Damage Rate Changes

Current Schema for Vehicle Equivalents

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

Proposed Schema for Vehicle Equivalents

	Personal Vehicle	Law Enforcement	School Buses	Heavy Equipment
Weight:	1.0	2.5	3.5	3.5
Example FY2021 Rate:	$116.25	$290.63	$406.88	$406.88

Auto Physical Damage Premiums by Risk Pool

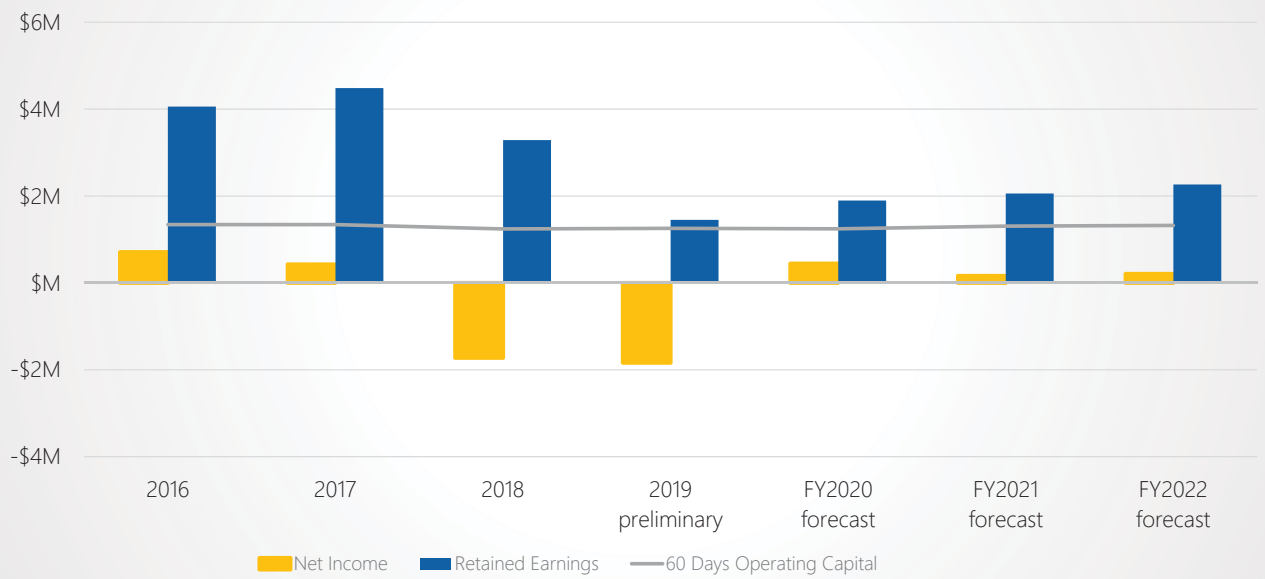
Rate Recommendation

Premium Projections
(Numbers in Thousands)

Risk Pool	Premiums FY2020	Premiums FY2021	Change Total	Change Percent
School Districts & Charter Schools	$1,033	$1,068	$35	3.4%
Higher Education	$280	$214	$(66)	-23.7%
State Agencies	$1,117	$1,685	$568	50.9%
Total	$2,430	$2,967	$537	22.1%

Workers' Compensation Program

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.

Workers Compensation Premiums by Risk Pool

Rate Recommendation

Premium Projections
(Numbers in Thousands)

Risk Pool	Premiums FY2020	Premiums FY2021	Change Total	Change Percent
UDOT Worker	$1,139	$1,139	$0	0.0%
Other/State Agencies	$5,845	$5,845	$0	0.0%
Aviation	$7	$7	$0	0.0%
Total	$6,991	$6,991	$0	0.0%

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

FY2021 Request	Rate		Change	
Program	FY2020	FY2021	Total	Percent
Learning Management System – Enterprise Rate	$55/hour	$55/hour	$0	0.0%

Risk Management
Rate Committee Action

DAS Recommended Actions

Action	Slide Number or Reference	Change
Approve liability premium increases	57	$991,000
Approve property premium increases	61	$66,000
Approve automobile premium increases	65	$537,000
Approve all other existing rates	S.B. 8 (2019) Lines 2265-2460	No other changes

2265 RISK MANAGEMENT
2266 **ISF - Risk Management Administration**
2267 Learning Management System
2268 Learning Management System - Enterprise Rate (per Hour) 55.00
2269 Learning Management System - Garage Rate (per Hour) 55.00
2270 Liability Premiums
2271 Administrative Services 380,593.00
2272 Agriculture 87,160.00
2273 Alcoholic Beverage Control 85,435.00
2274 Attorney General's Office 217,810.00
2275 Auditor 14,257.00
2276 Board of Pardons 18,894.00
2277 Capitol Preservation Board 11,004.00
2278 Career Service Review Office 708.00
2279 Commerce 90,769.00
2280 Commission on Criminal and Juvenile Justice 26,974.00
2281 Heritage and Arts 40,721.00
2282 Corrections 901,277.00
2283 Courts 327,454.00
2284 Utah Office for Victims of Crime 88,835.00
2285 Education 290,644.00
2286 Deaf and Blind School 15,391.00
2287 Environmental Quality 137,963.00
2288 Fair Park 17,603.00
2289 Financial Institutions 15,872.00
2290 Governor 27,753.00

2291	Governor's Office of Management and Budget	3,900.00
2292	Governor's Office of Economic Development	5,554.00
2293	Health	338,339.00
2294	Heber Valley Railroad	4,274.00
2295	House of Representatives	10,622.00
2296	Human Resource Management	29,765.00
2297	Human Services	698,476.00
2298	Labor Commission	33,365.00
2299	Insurance	118,819.00
2300	Legislative Fiscal Analyst	8,035.00
2301	Legislative Auditor	9,213.00
2302	Legislative Printing	1,829.00
2303	Legislative Research & General Counsel	24,215.00
2304	Medical Education Council	
2305	National Guard	81,348.00
2306	Natural Resources	428,239.00
2307	Navajo Trust Fund	8,548.00
2308	Public Lands	14,047.00
2309	Public Safety	842,995.00
2310	Public Service Commission	8,216.00
2311	School and Institutional Trust Fund	2,018.00
2312	School and Institutional Trust Lands	26,039.00
2313	Senate	6,351.00
2314	Tax Commission	163,495.00
2315	Technology Services	213,748.00
2316	Treasurer	7,891.00
2317	Utah Communications Network	8,497.00
2318	Utah Science and Technology and Research	9,671.00
2319	Veteran's Affairs	11,433.00
2320	Workforce Services	473,568.00
2321	Transportation	3,619,000.00
2322	Board of Regents	90,049.00
2323	Dixie State University	224,792.00
2324	Salt Lake Community College	338,674.00
2325	Snow College	89,366.00
2326	Southern Utah University	196,041.00
2327	Bridgerland Technical College	30,460.00

2328 Davis Technical College 35,465.00
2329 Ogden Weber Technical College 39,165.00
2330 Uintah Basin Technical College 18,511.00
2331 Tooele Technical College 8,829.00
2332 Dixie Technical College 16,597.00
2333 Mountainland Technical College 26,511.00
2334 Southwest Technical College 12,538.00
2335 University of Utah 1,799,906.00
2336 Utah State University 896,445.00
2337 Utah Valley University 575,555.00
2338 Weber State University 374,138.00
2339 School Districts 11,216,466.00
2340 Specialized Lines of Coverage See Formula
2341 Specialized lines of insurance outside of typical coverage lines. Pass
2342 through costs direct from insurance provider.
2343 Property Insurance Rates
2344 Net Estimated Premium 18,256,256.00
2345 Parametric Earthquake Premiums 330,000.00
2346 Gross Premium for Buildings
2347 Existing Insured Buildings
2348 Existing Insured Buildings See formula
2349 Building value as determined by Risk Mgt. & owner as of Statement of
2350 Values year end review multiplied by the Marshall & Swift Valuation Service
2351 rates associated w/ Building Construction Class, Occupancy Type, Building
2352 Quality, & Fire Protection Code
2353 Newly Insured Buildings
2354 Newly Insured Buildings See formula
2355 Building value as determined by Risk Mgt. & owner as of Statement of
2356 Values year end review multiplied by the Marshall & Swift Valuation Service
2357 rates associated w/ Building Construction Class, Occupancy Type, Building
2358 Quality, & Fire Protection Code
2359 Building Demographic Discounts
2360 Fire Suppression Sprinklers 15% discount
2361 Smoke alarm/Fire detectors 5% discount
2362 Flexible water/Gas connectors 1% discount
2363 Surcharges
2364 Lack of compliance with Risk Mgt. recommendations 10% surcharge

2365 Building built prior to 1950 10% surcharge
2366 Agency Discount1 (REAF) 63.5% discount
2367 Agency Discount2 See formula
2368 Agency specific discount negotiated w/ Risk Mgt
2369 Gross Premium for Contents
2370 Existing Insured Buildings
2371 Existing Insured Buildings See formula
2372 Content value as determined by Risk Mgt. & owner as of Statement of
2373 Values year end review multiplied by the Marshall & Swift Valuation Service
2374 rates associated w/ Building Construction Class, Occupancy Type, Building
2375 Quality, & Fire Protection Code
2376 Newly Insured Buildings
2377 Newly Insured Buildings See formula
2378 Content value as determined by Risk Mgt. & owner as of Statement of
2379 Values year end review multiplied by the Marshall & Swift Valuation Service
2380 rates associated w/ Building Construction Class, Occupancy Type, Building
2381 Quality, & Fire Protection Code
2382 Gross Premium Discounts/Penalties
2383 Non-Compliance Penalty - Meeting Minutes 5% Penalty
2384 Up to 5% penalty for non-compliance with Risk loss control activities,
2385 namely submitting Risk control meeting minutes on a quarterly basis.
2386 Non-Compliance Penalty - Self Inspection Survey 10% Penalty
2387 Up to 10% penalty for non-compliance with Risk loss control activities,
2388 namely submitting the annual Self Inspection Survey.
2389 Course of Construction Premiums
2390 Rate per $100 of value 0.053
2391 Charged once per project (unless scope changes)
2392 Automobile/Physical Damage Premiums
2393 Administrative Services 95,350.00
2394 Agriculture 31,306.00
2395 Alcoholic Beverage Control 1,879.00
2396 Attorney Generals Office 9,934.00
2397 Auditors Office 413.00
2398 Board of Pardons 1,240.00
2399 Commerce 5,057.00
2400 Corrections 88,674.00
2401 Courts 28,180.00

2402	Education	4,874.00
2403	Environmental Quality	4,229.00
2404	Governor's Office	1,639.00
2405	Governor's Office - Economic Development	2,233.00
2406	Health	13,647.00
2407	Heritage and Arts	9,274.00
2408	Human Services	99,861.00
2409	Insurance	1,905.00
2410	Labor Commission	7,388.00
2411	National Guard	7,511.00
2412	Natural Resources	188,885.00
2413	Navajo Trust Fund	613.00
2414	Public Safety	232,916.00
2415	School and Institutional Trust Lands	3,263.00
2416	School for the Deaf and Blind	12,425.00
2417	Tax Commission	10,807.00
2418	Technology Services	4,059.00
2419	Transportation	178,194.00
2420	Utah Science and Technology Research	205.00
2421	Veteran's Affairs	2,628.00
2422	Workforce Services	23,507.00
2423	Utah Communication Authority	4,585.00
2424	Heber Valley Railroad	815.00
2425	Utah State Fair Park	635.00
2426	Bridgerland Technical College	7,811.00
2427	Davis Technical College	4,730.00
2428	Dixie State University	34,912.00
2429	Dixie Technical College	4,043.00
2430	Mountainland Technical College	2,700.00
2431	Ogden/Weber Technical College	1,698.00
2432	Salt Lake Community College	39,131.00
2433	Snow College	9,155.00
2434	Southern Utah University	18,289.00
2435	Southwest Technical College	3,798.00
2436	Tooele Technical College	1,416.00
2437	Uintah Basin Technical College	5,686.00
2438	University of Utah	1,526.00

2439 USU Eastern 16,712.00
2440 Utah State University 111,688.00
2441 Utah System of Technical Colleges 433.00
2442 Utah Valley University 38,676.00
2443 Weber State University 25,372.00
2444 School Districts 992,748.00
2445 Charter Schools 15,777.00
2446 Standard deductible (per incident) 1,500.00
2447 Up to this amount with discounts available for compliance with
2448 specifically identified Risk Management loss control activities. (Currently
2449 only charging $750.00)
2450 Charter Schools
2451 Liability ($2 million coverage)
2452 Charter School Pre-opening Liability Coverage (per School) 1,000.00
2453 Charter School Liability ($1,000 minimum) (per student) 12.77
2454 Property ($1,000 deductible per occurrence)
2455 Cost per $100 in value, $100 minimum 0.10
2456 **ISF - Workers' Compensation**
2457 Workers Compensation Rates
2458 UDOT 1.25% per $100 wages
2459 State Agencies 0.58% (except UDOT)
2460 Aviation (per PILOT-YEAR) $2,200

Pro Forma Financial Statements
6020 Risk Management Administration

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	464,433	451,694	879,518	852,835	798,437	784,799	785,776
ACCOUNTS RECEIVABLE	152	1,982	-	6,185	29,174	43,761	43,761
DUE FROM OTHER FUNDS	-	8,917	-	-	-	-	-
INVENTORIES	-	-	-	-	-	-	-
PREPAID ITEMS	-	-	56,354	222	-	-	-
TOTAL CURRENT ASSETS	**464,585**	**462,593**	**935,872**	**859,242**	**827,611**	**828,560**	**829,537**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM		-	-	-	-	-	-
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LAND / LAND IMPROVEMENTS	-	-	-	-	-	-	-
CONSTRUCTION IN PROGRESS	-	-	-	-	-	-	-
BUILDINGS AND IMPROVEMENTS	-	-	-	-	-	-	-
MACHINERY AND EQUIPMENT	655,110	655,110	655,110	655,110	655,110	655,110	655,110
ACCUMULATED DEPRECIATION	(624,012)	(636,215)	(648,434)	(655,101)	(655,110)	(655,110)	(655,110)
TOTAL CAPITAL ASSETS	**31,098**	**18,895**	**6,676**	**9**	**-**	**-**	**-**
TOTAL ASSETS	**495,683**	**481,488**	**942,548**	**859,251**	**827,611**	**828,560**	**829,537**
LIABILITIES & FUND EQUITY							
ACCRUED LIABILITIES	165,611	142,550	138,818	62,081	31,618	32,566	33,543
DEFERRED REVENUE	-	-	-	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	-	-	-	-	-	-	-
DUE TO OTHER FUNDS	1,082	9,947	7,737	1,176	-	-	-
POLICY CLAIM LIABILITY-CURRENT	-	-	-	-	-	-	-
CAPITAL LEASE PAYABLE-SHORT TERM	-	-	-	-	-	-	-
REVENUE BONDS - SHORT TERM	-	-	-	-	-	-	-
TOTAL CURRENT LIABILITIES	**166,693**	**152,498**	**146,555**	**63,258**	**31,618**	**32,566**	**33,543**
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 CLAIM LIABILITY L / T	-	-	-	-	-	-	-
TOTAL LONG-TERM LIABILITIES	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**166,693**	**152,498**	**146,555**	**63,258**	**31,618**	**32,566**	**33,543**
CONTRIBUTED CAPITAL	-	-	401,147	401,147	401,147	401,147	401,147
RETAINED EARNINGS	328,991	328,991	394,846	394,846	394,846	394,846	394,846
TOTAL FUND EQUITY / NET ASSETS	**328,991**	**328,991**	**795,993**	**795,993**	**795,993**	**795,993**	**795,993**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**495,683**	**481,488**	**942,548**	**859,251**	**827,611**	**828,560**	**829,537**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**174,856**	**175,496**	**275,766**	**504,713**	**555,184**	**610,703**	**671,773**
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	**174,856**	**175,496**	**275,766**	**504,713**	**555,184**	**610,703**	**671,773**
PERSONNEL SERVICES	3,087,086	3,076,936	3,284,743	3,314,080	3,330,650	3,347,304	3,364,040
TRAVEL EXPENSE	34,367	55,565	56,097	60,817	61,121	61,426	61,733
CURRENT EXPENSE	397,708	422,389	555,752	1,023,489	1,028,606	1,033,749	1,038,918
DATA PROCESSING CURRENT EXPENSE	340,518	491,454	434,705	531,484	534,142	536,812	539,496
DEPRECIATION EXPENSE	161,133	12,203	12,219	6,667	9	-	-
OTHER CHARGES/PASS THROUGH	(3,834,106)	(3,883,041)	(4,133,605)	(4,431,823)	(4,399,344)	(4,368,589)	(4,332,415)
TOTAL OPERATING EXPENSES	**186,708**	**175,505**	**209,911**	**504,713**	**555,184**	**610,703**	**671,773**
TOTAL OPERATING INCOME (LOSS)	**(11,852)**	**(9)**	**65,855**	**0**	**-**	**-**	**-**
GAIN (LOSS) ON SALE OF FIXED ASSETS		-	-	-	-	-	-
INTEREST /OTHER INCOME	-	-	-	-	-	-	-
INTEREST EXPENSE	-	-	-	-	-	-	-
FEDERAL GRANTS	-	-	-	-	-	-	-
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT	-	-	-	-	-	-	-
OPERATING TRANSFERS IN (OUT)	11,852	9	401,147	-	-	-	-
NET INCOME (LOSS)	**(0)**	**0**	**467,002**	**0**	**-**	**-**	**-**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**398,678**	**464,433**	**451,694**	**879,518**	**852,835**	**798,437**	**784,799**
Total Cash from Sales	174,856	175,496	275,766	504,713	555,184	610,703	671,773
Capital Asset Disposal Proceeds	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-
State Appropriations	-	-	-	-	-	-	-
Other Sources	11,852	9	401,147	-	-	-	-
TOTAL SOURCES OF CASH	**186,708**	**175,505**	**676,913**	**504,713**	**555,184**	**610,703**	**671,773**
Cash Used for Operations	(100,952)	(188,245)	(249,088)	(531,396)	(609,583)	(624,341)	(670,796)
Payments for Capital Assets	(20,000)	-	-	-	-	-	-
State Appropriations	-	-	-	-	-	-	-
Other Uses	-	-	-	-	-	-	-
TOTAL USES OF CASH	**(120,952)**	**(188,245)**	**(249,088)**	**(531,396)**	**(609,583)**	**(624,341)**	**(670,796)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**464,433**	**451,694**	**879,518**	**852,835**	**798,437**	**784,799**	**785,776**

Pro Forma Financial Statements
6920 Risk Management Liability

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	43,614,012	44,920,470	48,581,006	54,073,240	63,111,295	75,616,124	89,671,853
ACCOUNTS RECEIVABLE	4,076	680	486	3,127	3,127	3,127	3,127
DUE FROM OTHER FUNDS	-	-	-	-	-	-	-
INVENTORIES	-	-	-	-	-	-	-
PREPAID ITEMS	51,762	-	-	-	-	-	-
TOTAL CURRENT ASSETS	**43,669,850**	**44,921,150**	**48,581,492**	**54,076,368**	**63,114,422**	**75,619,252**	**89,674,981**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM		-	-	-	-	-	-
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LAND / LAND IMPROVEMENTS	-	-	-	-	-	-	-
CONSTRUCTION IN PROGRESS	-	-	-	-	-	-	-
BUILDINGS AND IMPROVEMENTS	-	-	-	-	-	-	-
MACHINERY AND EQUIPMENT	-	-	-	-	-	-	-
ACCUMULATED DEPRECIATION	-	-	-	-	-	-	-
TOTAL CAPITAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**43,669,850**	**44,921,150**	**48,581,492**	**54,076,368**	**63,114,422**	**75,619,252**	**89,674,981**
LIABILITIES & FUND EQUITY							
ACCRUED LIABILITIES	6,611	760,835	62,211	140	70	70	70
DEFERRED REVENUE	-	-	-	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	-	-	-	-	-	-	-
DUE TO OTHER FUNDS	852,034	975,246	1,038,836	1,389,334	-	-	-
POLICY CLAIM LIABILITY-CURRENT	16,759,000	18,392,000	17,006,000	20,157,000	22,978,980	26,196,037	29,863,482
CAPITAL LEASE PAYABLE-SHORT TERM	-	-	-	-	-	-	-
REVENUE BONDS - SHORT TERM	-	-	-	-	-	-	-
TOTAL CURRENT LIABILITIES	**17,617,645**	**20,128,081**	**18,107,047**	**21,546,474**	**22,979,050**	**26,196,107**	**29,863,552**
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 CLAIM LIABILITY L / T	26,804,000	28,557,000	37,401,000	40,257,000	45,892,980	52,317,997	59,642,517
TOTAL LONG-TERM LIABILITIES	**26,804,000**	**28,557,000**	**37,401,000**	**40,257,000**	**45,892,980**	**52,317,997**	**59,642,517**
TOTAL LIABILITIES	**44,421,645**	**48,685,081**	**55,508,047**	**61,803,474**	**68,872,030**	**78,514,104**	**89,506,069**
CONTRIBUTED CAPITAL	-	-	2,400,000	5,400,000	2,400,000	2,400,000	2,400,000
RETAINED EARNINGS	(751,796)	(3,763,932)	(9,326,556)	(13,127,106)	(8,157,608)	(5,294,852)	(2,231,088)
TOTAL FUND EQUITY / NET ASSETS	**(751,796)**	**(3,763,932)**	**(6,926,556)**	**(7,727,106)**	**(5,757,608)**	**(2,894,852)**	**168,912**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**43,669,850**	**44,921,150**	**48,581,492**	**54,076,368**	**63,114,422**	**75,619,252**	**89,674,981**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**15,856,048**	**16,711,270**	**16,647,500**	**18,963,873**	**21,926,238**	**24,992,041**	**27,491,245**
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	**15,856,048**	**16,711,270**	**16,647,500**	**18,963,873**	**21,926,238**	**24,992,041**	**27,491,245**
PERSONNEL SERVICES	-	-	-	-	-	-	-
TRAVEL EXPENSE	-	-	-	-	-	-	-
CURRENT EXPENSE	16,763,008	18,514,039	21,130,760	22,127,974	19,425,000	21,367,500	23,504,250
DATA PROCESSING CURRENT EXPENSE	-	-	-	-	-	-	-
DEPRECIATION EXPENSE	-	-	-	-	-	-	-
OTHER CHARGES/PASS THROUGH	1,747,547	1,768,862	1,939,974	1,989,827	1,885,595	1,980,040	2,019,661
TOTAL OPERATING EXPENSES	**18,510,555**	**20,282,902**	**23,070,735**	**24,117,801**	**21,310,595**	**23,347,540**	**25,523,911**
TOTAL OPERATING INCOME (LOSS)	**(2,654,507)**	**(3,571,632)**	**(6,423,234)**	**(5,153,928)**	**615,643**	**1,644,501**	**1,967,335**
GAIN (LOSS) ON SALE OF FIXED ASSETS		-	-	-	-	-	-
INTEREST /OTHER INCOME	314,948	559,496	860,610	1,353,616	1,353,616	1,218,255	1,096,429
INTEREST EXPENSE	-	-	-	-	-	-	-
FEDERAL GRANTS	-	-	-	-	-	-	-
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT	-	-	-	-	-	-	-
OPERATING TRANSFERS IN (OUT)	-	-	2,400,000	3,000,000	-	-	-
NET INCOME (LOSS)	**(2,339,559)**	**(3,012,136)**	**(3,162,624)**	**(800,311)**	**1,969,259**	**2,862,756**	**3,063,764**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**46,015,437**	**43,614,012**	**44,920,470**	**48,581,006**	**54,073,240**	**63,111,295**	**75,616,124**
Total Cash from Sales	15,856,048	16,711,270	16,647,500	18,963,873	21,926,238	24,992,041	27,491,245
Capital Asset Disposal Proceeds	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-
State Appropriations	-	-	-	-	-	-	-
Other Sources	314,948	559,496	3,260,610	4,353,376	1,353,616	1,218,255	1,096,429
TOTAL SOURCES OF CASH	**16,170,996**	**17,270,766**	**19,908,111**	**23,317,250**	**23,279,854**	**26,210,296**	**28,587,674**
Cash Used for Operations	(18,572,421)	(15,964,308)	(16,247,574)	(17,825,016)	(14,242,039)	(13,705,466)	(14,531,946)
Payments for Capital Assets	-	-	-	-	-	-	-
State Appropriations	-	-	-	-	-	-	-
Other Uses		-	-	-	-	-	-
TOTAL USES OF CASH	**(18,572,421)**	**(15,964,308)**	**(16,247,574)**	**(17,825,016)**	**(14,242,039)**	**(13,705,466)**	**(14,531,946)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**43,614,012**	**44,920,470**	**48,581,006**	**54,073,240**	**63,111,055**	**75,616,124**	**89,671,853**

Pro Forma Financial Statements
6900 Risk Management Property

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	11,328,714	12,616,116	11,235,458	12,313,937	10,790,916	8,986,131	7,471,495
ACCOUNTS RECEIVABLE	-	9,889	63,213	108,091	29,174	43,761	43,761
DUE FROM OTHER FUNDS	131,351	148,618	-	-	-	-	-
INVENTORIES	-	-	-	-	-	-	-
PREPAID ITEMS	599,284	-	638,362	765,604	-	-	-
TOTAL CURRENT ASSETS	**12,059,349**	**12,774,623**	**11,937,034**	**13,187,633**	**10,820,090**	**9,029,892**	**7,515,256**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM		-	-	-	-	-	-
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LAND / LAND IMPROVEMENTS	-	-	-	-	-	-	-
CONSTRUCTION IN PROGRESS	-	-	-	-	-	-	-
BUILDINGS AND IMPROVEMENTS	-	-	-	-	-	-	-
MACHINERY AND EQUIPMENT	-	-	-	-	-	-	-
ACCUMULATED DEPRECIATION	-	-	-	-	-	-	-
TOTAL CAPITAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**12,059,349**	**12,774,623**	**11,937,034**	**13,187,633**	**10,820,090**	**9,029,892**	**7,515,256**
LIABILITIES & FUND EQUITY							
ACCRUED LIABILITIES	70	4,134	15,426	1,034	31,618	32,566	33,543
DEFERRED REVENUE	-	-	-	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	-	-	-	-	-	-	-
DUE TO OTHER FUNDS	17,263	175,724	-	-	-	-	-
POLICY CLAIM LIABILITY-CURRENT	3,716,555	4,988,676	1,209,900	2,184,726	631,260	662,823	695,964
CAPITAL LEASE PAYABLE-SHORT TERM	-	-	-	-	-	-	-
REVENUE BONDS - SHORT TERM	-	-	-	-	-	-	-
TOTAL CURRENT LIABILITIES	**3,733,889**	**5,168,535**	**1,225,326**	**2,185,760**	**662,878**	**695,389**	**729,508**
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 CLAIM LIABILITY L / T	712,767	1,149,891	1,117,000	497,000	566,580	645,901	736,327
TOTAL LONG-TERM LIABILITIES	**712,767**	**1,149,891**	**1,117,000**	**497,000**	**566,580**	**645,901**	**736,327**
TOTAL LIABILITIES	**4,446,655**	**6,318,426**	**2,342,326**	**2,682,760**	**1,229,458**	**1,341,290**	**1,465,835**
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	3,412,694	2,256,197	5,394,707	6,304,872	5,390,632	3,488,601	1,849,421
TOTAL FUND EQUITY / NET ASSETS	**7,612,694**	**6,456,197**	**9,594,707**	**10,504,872**	**9,590,632**	**7,688,601**	**6,049,421**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**12,059,349**	**12,774,623**	**11,937,034**	**13,187,633**	**10,820,090**	**9,029,892**	**7,515,256**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**16,141,171**	**16,682,327**	**16,219,715**	**17,681,396**	**18,256,257**	**19,256,257**	**21,269,070**
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	**16,141,171**	**16,682,327**	**16,647,500**	**17,681,396**	**18,256,257**	**19,256,257**	**21,269,070**
PERSONNEL SERVICES	-	-	-	-	-	-	-
TRAVEL EXPENSE	-	-	-	-	-	-	-
CURRENT EXPENSE	14,669,490	16,194,113	10,910,894	15,139,597	17,439,597	19,183,556	20,718,241
DATA PROCESSING CURRENT EXPENSE	-	-	-	-	-	-	-
DEPRECIATION EXPENSE	-	-	-	-	-	-	-
OTHER CHARGES/PASS THROUGH	1,744,507	1,765,671	2,374,490	1,547,098	2,084,603	2,293,063	2,476,508
TOTAL OPERATING EXPENSES	**16,413,997**	**17,959,785**	**13,285,384**	**16,686,694**	**19,524,199**	**21,476,619**	**23,194,749**
TOTAL OPERATING INCOME (LOSS)	**(272,825)**	**(1,277,457)**	**3,362,117**	**994,702**	**(1,267,942)**	**(2,220,362)**	**(1,925,679)**
GAIN (LOSS) ON SALE OF FIXED ASSETS		-	-	-	-	-	-
INTEREST /OTHER INCOME	-	-	-	(438,238)	353,702	318,331	286,498
INTEREST EXPENSE	70,948	120,961	204,179	353,702	-	-	-
FEDERAL GRANTS	-	-	-	-	-	-	-
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT	-	-	-	-	-	-	-
OPERATING TRANSFERS IN (OUT)	-	-	-	-	-	-	-
NET INCOME (LOSS)	**(201,877)**	**(1,156,496)**	**3,566,296**	**910,165**	**(914,240)**	**(1,902,031)**	**(1,639,180)**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**11,085,435**	**11,328,714**	**12,616,116**	**11,235,458**	**12,313,937**	**10,790,916**	**8,986,131**
Total Cash from Sales	16,141,171	16,682,327	16,647,500	17,681,396	18,256,257	19,256,257	21,269,070
Capital Asset Disposal Proceeds	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-
State Appropriations	-	-	-	-	-	-	-
Other Sources	70,948	120,961	204,179	(84,536)	353,503	318,331	286,498
TOTAL SOURCES OF CASH	**16,212,120**	**16,803,288**	**16,851,679**	**17,596,859**	**18,609,760**	**19,574,588**	**21,555,568**
Cash Used for Operations	(15,968,840)	(15,515,886)	(17,804,552)	(16,518,380)	(20,132,980)	(21,379,374)	(23,070,204)
Payments for Capital Assets	-	-	-	-	-	-	-
State Appropriations	-	-	-	-	-	-	-
Other Uses			(427,786)	-		-	-
TOTAL USES OF CASH	**(15,968,840)**	**(15,515,886)**	**(18,232,338)**	**(16,518,380)**	**(20,132,980)**	**(21,379,374)**	**(23,070,204)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**11,328,714**	**12,616,116**	**11,235,458**	**12,313,937**	**10,790,717**	**8,986,131**	**7,471,495**

Pro Forma Financial Statements
6910 Risk Management Auto

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	378,302	421,694	547,922	281,398	697,363	1,241,422	1,677,181
ACCOUNTS RECEIVABLE	-	-	30,496	84,381	29,174	43,761	43,761
DUE FROM OTHER FUNDS	-	-	-	-	-	-	-
INVENTORIES	-	-	-	-	-	-	-
PREPAID ITEMS	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	**378,302**	**421,694**	**578,418**	**365,779**	**726,537**	**1,285,183**	**1,720,942**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM		-	-	-	-	-	-
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LAND / LAND IMPROVEMENTS	-	-	-	-	-	-	-
CONSTRUCTION IN PROGRESS	-	-	-	-	-	-	-
BUILDINGS AND IMPROVEMENTS	-	-	-	-	-	-	-
MACHINERY AND EQUIPMENT	-	-	-	-	-	-	-
ACCUMULATED DEPRECIATION	-	-	-	-	-	-	-
TOTAL CAPITAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**378,302**	**421,694**	**578,418**	**365,779**	**726,537**	**1,285,183**	**1,720,942**
LIABILITIES & FUND EQUITY							
ACCRUED LIABILITIES	200	3,498	41,173	30,697	31,618	32,566	33,543
DEFERRED REVENUE	-	-	-	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	-	-	-	-	-	-	-
DUE TO OTHER FUNDS	-	-	-	-	-	-	-
POLICY CLAIM LIABILITY-CURRENT	89,066	436,094	601,200	367,395	631,260	662,823	695,964
CAPITAL LEASE PAYABLE-SHORT TERM	-	-	-	-	-	-	-
REVENUE BONDS - SHORT TERM	-	-	-	-	-	-	-
TOTAL CURRENT LIABILITIES	**89,266**	**439,592**	**642,373**	**398,092**	**662,878**	**695,389**	**729,508**
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 CLAIM LIABILITY L / T	10,636	121,169	(5,600)	95,395	108,750	123,975	141,332
TOTAL LONG-TERM LIABILITIES	**10,636**	**121,169**	**(5,600)**	**95,395**	**108,750**	**123,975**	**141,332**
TOTAL LIABILITIES	**99,902**	**560,761**	**636,773**	**493,487**	**771,628**	**819,364**	**870,840**
CONTRIBUTED CAPITAL	-	-	100,000	100,000	100,000	100,000	100,000
RETAINED EARNINGS	278,400	(139,066)	(158,355)	(227,708)	(145,091)	365,818	750,102
TOTAL FUND EQUITY / NET ASSETS	**278,400**	**(139,066)**	**(58,355)**	**(127,708)**	**(45,091)**	**465,818**	**850,102**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**378,302**	**421,694**	**578,418**	**365,779**	**726,537**	**1,285,183**	**1,720,942**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**2,031,721**	**2,074,069**	**2,161,305**	**2,150,017**	**2,414,431**	**2,963,739**	**2,963,739**
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	**2,031,721**	**2,074,069**	**2,161,305**	**2,150,017**	**2,414,431**	**2,963,739**	**2,963,739**
PERSONNEL SERVICES	-	-	-	-	-	-	-
TRAVEL EXPENSE	-	-	-	-	-	-	-
CURRENT EXPENSE	1,484,940	2,104,300	1,788,836	1,841,519	1,933,595	2,030,275	2,131,788
DATA PROCESSING CURRENT EXPENSE	-	-	-	-	-	-	-
DEPRECIATION EXPENSE	-	-	-	-	-	-	-
OTHER CHARGES/PASS THROUGH	393,228	397,499	406,344	407,356	427,723	449,110	471,565
TOTAL OPERATING EXPENSES	**1,878,168**	**2,501,799**	**2,195,180**	**2,248,875**	**2,361,318**	**2,479,384**	**2,603,353**
TOTAL OPERATING INCOME (LOSS)	**153,553**	**(427,731)**	**(33,875)**	**(98,858)**	**53,113**	**484,355**	**360,386**
GAIN (LOSS) ON SALE OF FIXED ASSETS		-	-	-	-	-	-
INTEREST /OTHER INCOME	5,619	10,265	14,587	29,505	29,505	26,554	23,899
INTEREST EXPENSE	-	-	-	-	-	-	-
FEDERAL GRANTS	-	-	-	-	-	-	-
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT	-	-	-	-	-	-	-
OPERATING TRANSFERS IN (OUT)	-	-	100,000	-	-	-	-
NET INCOME (LOSS)	**159,172**	**(417,466)**	**80,711**	**(69,353)**	**82,617**	**510,909**	**384,284**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**290,714**	**378,302**	**421,694**	**547,922**	**281,398**	**697,363**	**1,241,422**
Total Cash from Sales	2,031,721	2,074,069	2,161,305	2,150,017	2,414,431	2,963,739	2,963,739
Capital Asset Disposal Proceeds	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-
State Appropriations	-	-	-	-	-	-	-
Other Sources	5,619	10,265	114,587	29,505	29,505	26,554	23,899
TOTAL SOURCES OF CASH	**2,037,340**	**2,084,333**	**2,275,892**	**2,179,521**	**2,443,936**	**2,990,293**	**2,987,638**
Cash Used for Operations	(1,949,752)	(2,040,940)	(2,149,664)	(2,446,046)	(2,027,970)	(2,446,235)	(2,551,878)
Payments for Capital Assets	-	-	-	-	-	-	-
State Appropriations	-	-	-	-	-	-	-
Other Uses		-	-	-	-	-	-
TOTAL USES OF CASH	**(1,949,752)**	**(2,040,940)**	**(2,149,664)**	**(2,446,046)**	**(2,027,970)**	**(2,446,235)**	**(2,551,878)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**378,302**	**421,694**	**547,922**	**281,398**	**697,363**	**1,241,422**	**1,677,181**

Pro Forma Financial Statements
6030 Risk Management Workers Compensation

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	3,501,507	4,059,811	3,200,813	1,929,093	2,190,118	2,061,612	1,972,380
ACCOUNTS RECEIVABLE	-	-	-	-	29,174	43,761	43,761
DUE FROM OTHER FUNDS	593,192	630,147	658,324	687,222	-	-	-
INVENTORIES	-	-	-	-	-	-	-
PREPAID ITEMS	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	**4,094,698**	**4,689,958**	**3,859,137**	**2,616,314**	**2,219,292**	**2,105,373**	**2,016,141**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM		-	-	-	-	-	-
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LAND / LAND IMPROVEMENTS	-	-	-	-	-	-	-
CONSTRUCTION IN PROGRESS	-	-	-	-	-	-	-
BUILDINGS AND IMPROVEMENTS	-	-	-	-	-	-	-
MACHINERY AND EQUIPMENT	-	-	-	-	-	-	-
ACCUMULATED DEPRECIATION	-	-	-	-	-	-	-
TOTAL CAPITAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**4,094,698**	**4,689,958**	**3,859,137**	**2,616,314**	**2,219,292**	**2,105,373**	**2,016,141**
LIABILITIES & FUND EQUITY							
ACCRUED LIABILITIES	17,009	147,313	542,851	1,103,930	31,618	32,566	33,543
DEFERRED REVENUE	-	-	-	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	-	-	-	-	-	-	-
DUE TO OTHER FUNDS	20,307	58,203	28,100	55,899	-	-	-
POLICY CLAIM LIABILITY-CURRENT	-	-	-	-	631,260	662,823	695,964
CAPITAL LEASE PAYABLE-SHORT TERM	-	-	-	-	-	-	-
REVENUE BONDS - SHORT TERM	-	-	-	-	-	-	-
TOTAL CURRENT LIABILITIES	**37,316**	**205,516**	**570,952**	**1,159,829**	**662,878**	**695,389**	**729,508**
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 CLAIM LIABILITY L / T	-	-	-	-	-	-	-
TOTAL LONG-TERM LIABILITIES	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**37,316**	**205,516**	**570,952**	**1,159,829**	**662,878**	**695,389**	**729,508**
CONTRIBUTED CAPITAL	-	-	-	-	-	-	-
RETAINED EARNINGS	4,057,382	4,484,443	3,288,186	1,450,237	1,556,414	1,409,984	1,286,633
TOTAL FUND EQUITY / NET ASSETS	**4,057,382**	**4,484,443**	**3,288,186**	**1,450,237**	**1,556,414**	**1,409,984**	**1,286,633**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**4,094,698**	**4,689,958**	**3,859,137**	**2,610,066**	**2,219,292**	**2,105,373**	**2,016,141**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**7,976,260**	**7,884,649**	**8,142,156**	**8,651,013**	**7,352,414**	**7,499,463**	**7,686,949**
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	**7,976,260**	7,884,649	8,142,156	**8,651,013**	**7,352,414**	**7,499,463**	**7,686,949**
PERSONNEL SERVICES	318,196	332,877	347,284	234,564	241,601	253,681	266,365
TRAVEL EXPENSE	878	950	1,621	385	397	417	438
CURRENT EXPENSE	7,682,737	7,215,381	6,456,544	7,160,088	7,081,764	7,435,853	7,807,645
DATA PROCESSING CURRENT EXPENSE	97	69	293	266	274	288	302
DEPRECIATION EXPENSE	-	-	-	-	-	-	-
OTHER CHARGES/PASS THROUGH	40,775	489,249	641,487	136,209	479,114	503,069	228,223
TOTAL OPERATING EXPENSES	**8,042,683**	**8,038,526**	**7,447,228**	**7,531,513**	**7,803,150**	**8,193,308**	**8,302,973**
TOTAL OPERATING INCOME (LOSS)	**(66,423)**	**(153,877)**	**694,928**	**1,119,500**	**(450,736)**	**(693,845)**	**(616,024)**
GAIN (LOSS) ON SALE OF FIXED ASSETS		-	-	-	-	-	-
INTEREST /OTHER INCOME	777,002	580,938	608,815	608,239	189,961	170,965	153,869
INTEREST EXPENSE	-	-	-	-		-	-
FEDERAL GRANTS	-	-	-	-	-	-	-
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT	-	-	(528,712)	(565,688)	-	-	-
OPERATING TRANSFERS IN (OUT)	-	-	(2,500,000)	(3,000,000)	461,933	461,933	415,739
NET INCOME (LOSS)	**710,579**	**427,060**	**(1,724,969)**	**(1,837,949)**	**201,158**	**(60,948)**	**(46,416)**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**2,778,183**	**3,501,507**	**4,059,811**	**3,200,813**	**1,929,093**	**2,190,118**	**2,061,612**
Total Cash from Sales	7,976,260	7,884,649	8,142,156	8,651,013	7,352,414	7,499,463	7,686,949
Capital Asset Disposal Proceeds	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-
State Appropriations	-	-	-	-	-	-	-
Other Sources	777,002	580,938	608,815	608,239	651,894	632,898	569,608
TOTAL SOURCES OF CASH	**8,753,262**	**8,465,586**	**8,750,971**	**9,259,252**	**8,004,308**	**8,132,360**	**8,256,557**
Cash Used for Operations	(8,029,939)	(7,907,281)	(6,581,258)	(6,971,533)	(7,642,054)	(8,175,383)	(8,268,855)
Payments for Capital Assets	-	-	-	-	-	-	-
State Appropriations	-	-	(2,500,000)	(3,000,000)	-	-	-
Other Uses	-	-	(528,712)	(565,688)	-	-	-
TOTAL USES OF CASH	**(8,029,939)**	**(7,907,281)**	**(9,609,970)**	**(10,537,221)**	**(7,642,054)**	**(8,175,383)**	**(8,268,855)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**3,501,507**	**4,059,811**	**3,200,813**	**1,922,844**	**2,291,347**	**2,147,095**	**2,049,314**

State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Department of Administrative Services

TANI PACK DOWNING
Executive Director

Division of Risk Management
BRIAN NELSON, *Director*

TO: **DAS Rate Committee**
FROM: **Brian Nelson, State Risk Manager**
DATE: **August 20, 2019**
RE: **FY2019 Loss Reduction Efforts**

Over the past year, the Division of Risk Management (DRM) has implemented the following measures to assist its covered entities in reducing property/casualty claims.

- 586 facility inspections, mitigation recommendations, and follow-up
  - 503 inspections identified life safety issues
  - 361 issues resolved or in process
  - 139 issues resolved within first 30 days ($2,281,069 loss avoidance value)
- 98 risk awareness/reduction trainings to 2914 participants
- 1,777 loss prevention consultations
- 692 ergonomic consultations
- Early Attorney General intervention/consulting in employment matters
- AIG engineering inspections of 33 facilities with follow-up
- Expanded employment liability coverage with $15K deductible and 25% copayment for claims over $50K
- Collaboration with the Utah Board of Education and the Attorney General's Office in developing policy and training required by HBs 311 and 391
- Quarterly meetings with school district transportation directors regarding bus safety
- Annual meetings with school district superintendents, human resource directors, and transportation directors to reduce liability claims
- Collaboration with Utah Board of Education in developing bus driver safety guidelines
- Statewide Cheerleader Safety Clinics for all covered school districts and charter schools
- Meetings with institutions of higher education to address claims and develop loss prevention strategies

Most of the foregoing measures will continue to be provided in FY2020.

5120 State Office Building, Salt Lake City, UT 84114-1321 ♦ Telephone 801-538-9560 ♦ Facsimile 801-538-9597 ♦ http://risk.utah.gov/

Division of Fleet Operations

Finance
Purchasing and General Services
Facilities Construction and Management
Risk Management

Fleet Operations

Motor Pool
Fuel Network
State Travel
Transactions Team

DAS

Slide 72

Motor Pool

8,272 total vehicles in the State fleet

325 private sector vendors

4,881 Fleet Operations vehicles

4,241 Reservations KeyValet key kiosk

1,512 Vehicles Telematics pilot

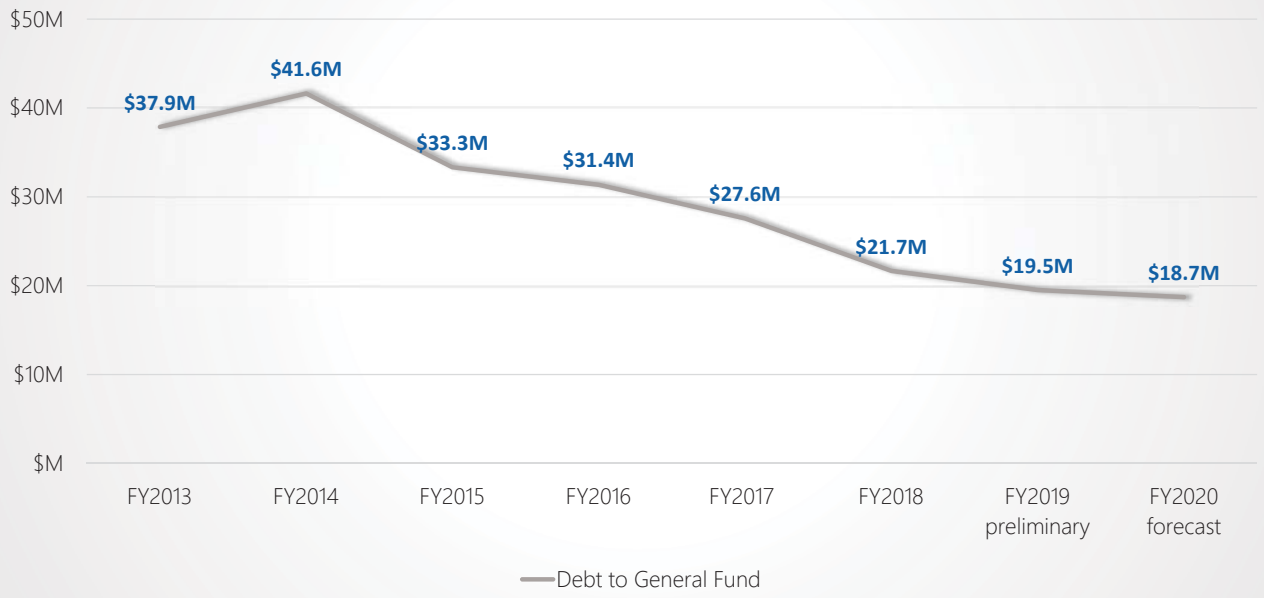
Numbers current as of June 30, 2019

Fleet Operations | Motor Pool

DAS

Slide 73

Motor Pool Debt to General Fund



Slide 74

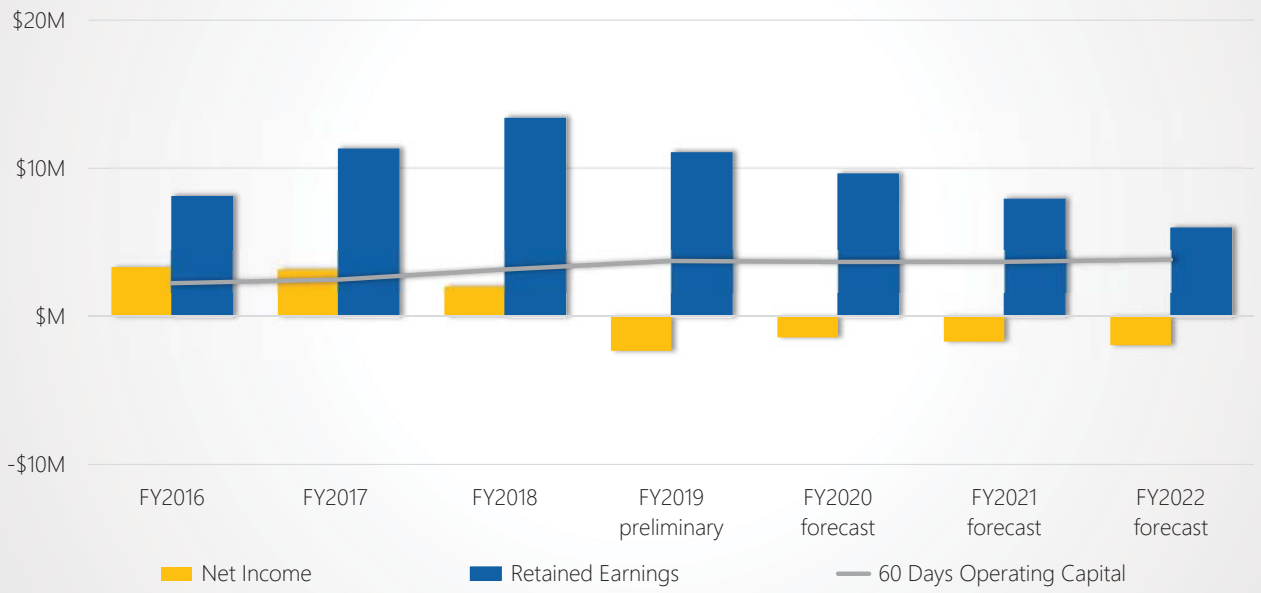
Motor Pool Monthly Lease Rate

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

Contract Price	Model year contract	
Salvage Value	Light trucks Select sedans Select SUVs All others	25%
Lifecycle	Current lifecycle (in months) based on actual miles	
Fees	Admin fee and Management Information System (MIS)	

Slide 75

Motor Pool Retained Earnings



Motor Pool Rates

Rate Recommendation

FY2021 Request

Rate	FY 2020	FY 2021	Total	Percent
Mileage Rate for Maintenance and Repair	Maintenance and Repair costs for a standard class of vehicle divided by total miles for that class $0.03- $0.67	Establish a vehicle use type rate with the following categories: • Heavy Duty On-Road $.30 • Heavy Duty Off-Road $.42 • Motorcycle $.29 • Police Pursuit $.13 • Bus $.10 • Light Duty Off-Road $.07 • Light Duty On-Road $.05 • AR Vehicles* $.17	$(54,202)	-1.25% Overall

*AR vehicles are those vehicles that have already been replaced, but the agency has retained for a specific purpose.

Fuel Network

37,556 Gas cards/Vehicles participate

10,254,401 gallons Commercial
7,736,495 gallons State Sites
17,990,897 Total gallons of fuel dispensed

440 tanks state-wide
239 State Sites
120 sites with card readers
0 CNG fuel sites

Numbers current as of June 30, 2019

Fuel Network

Why Change to a Fixed Rate	
Percent Rate	Fixed Rate

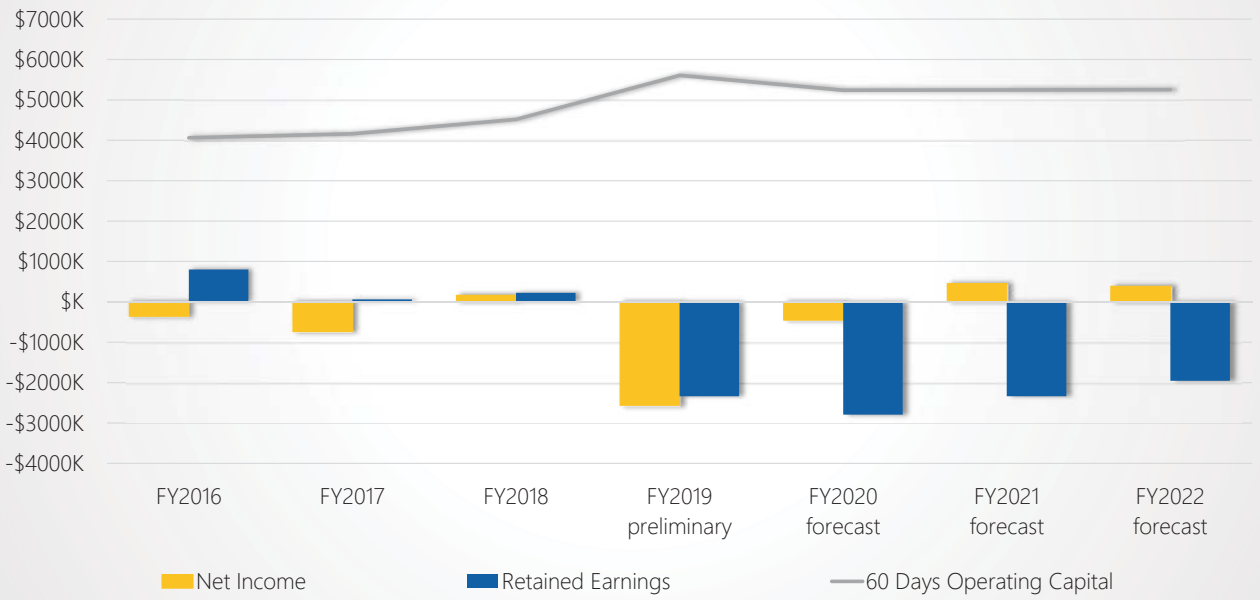
• Susceptible to market flux
  • Prices high: Over collecting
  • Prices low: Under collecting
	• Stable platform independent of fuel market
	• Ensures predictable revenue to cover administrative and operational expenses

The Fuel Network was created in 1994 under Utah Code 63A-9 to manage fuel site maintenance, gas cards, fuel consolidation, to ensure environmental compliance, and save agencies money through wholesale purchasing.

Services Offered

- Gas Cards for use at state and retail sites
- Card monitoring and usage monitoring to prevent fraud and help agencies manage fuel usage.
- Fuel site management, maintenance, inspections, and compliance testing.
- Wholesale fuel purchasing at Fuel Networks sites, which allows reduced fuel prices for participating agencies.
- Environmental compliance, site inspections, and tanks permitting.
- Tier 1 fuel sites for natural disasters and emergencies to ensure first responders can continue their missions.

Fuel Network Retained Earnings



Fuel Network Rates

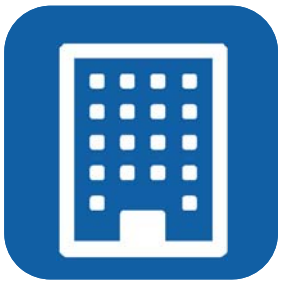
Rate Recommendation

FY 2021 Request

Rate	FY 2020	FY 2021	Total	Percent
Retail Fuel Sites	3%	$0.12/gal	$413,311	51%
State-Owned Sites	3% + $0.075	$0.23/gal	$473,889	55%
State-Owned Low Use Sites	3% + $0.105	$0.23/gal	$90,622	25%
Miscellaneous Automotive Items	3%	3%	$0	0%
Total			$977,823	48%

State Travel Office

Booked 7,415 car reservations



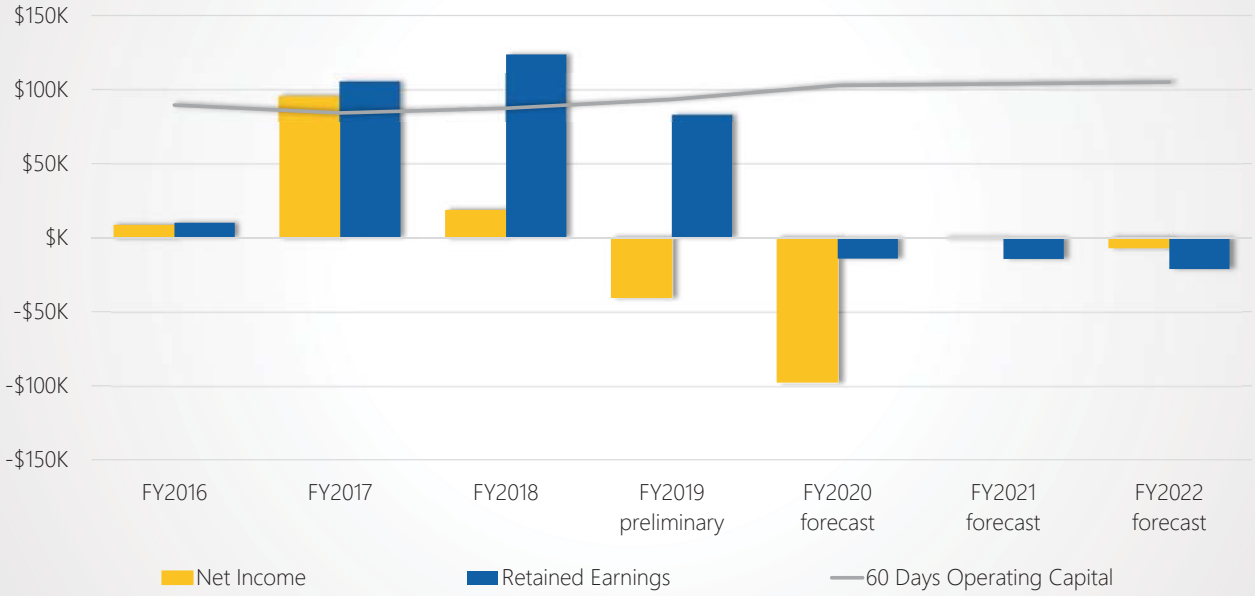
Made 11,255 hotel reservations

Issued 20,552 airline tickets

Numbers current as of June 30, 2019

Slide 82

State Travel Office Retained Earnings



Slide 83

State Travel Office Rates

Rate Recommendation

FY 2021 Request

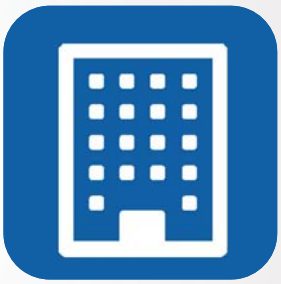
Rate	FY 2020	FY 2021	Total
Car only or car/hotel only bookings	$0	$8	$103,656
Airline only or airline/car/hotel bookings	$26	$26	0
Total			$103,656

Proposing rate increase is to cover new pass-through charge in Christopherson Travel Contract which became effective 4/1/2019.

Transactions Team

14 Customers

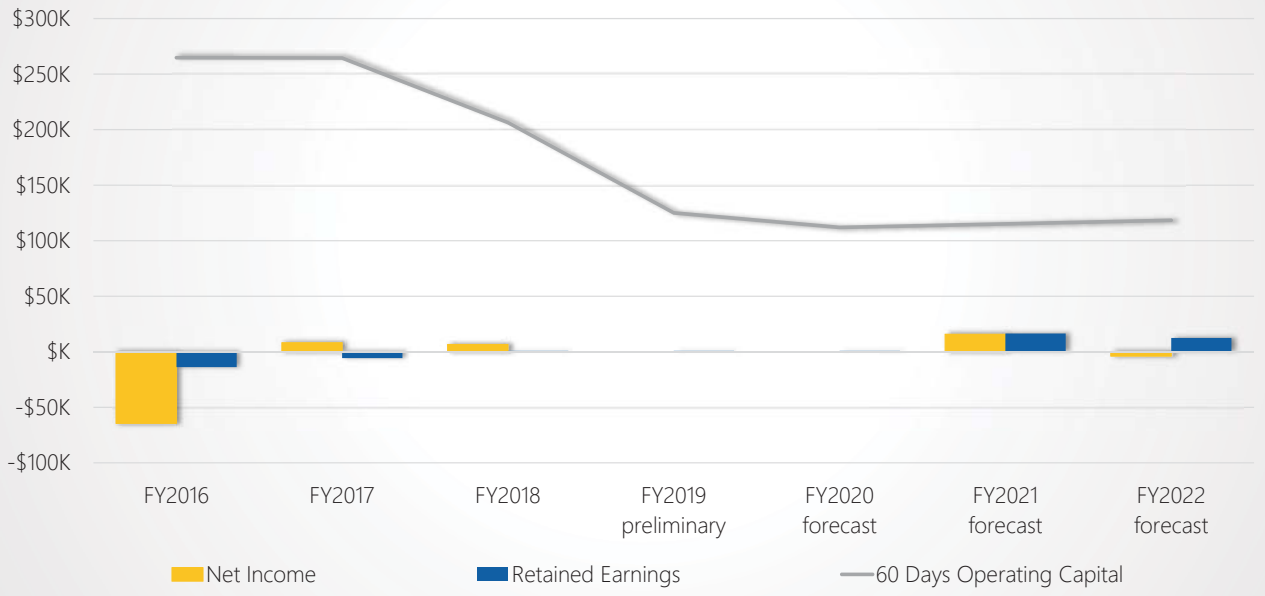
11 Employees



189,374 Processed Transactions

Numbers current as of June 30, 2019

Transactions Team Retained Earnings



Transactions Team Rates

Rate Recommendation

FY2021 Request

Rate	FY 2020	FY 2021	Total	Percent
DAS	Internal Allocation Percentage	$46 Per Hour	$34,727	5%
Non-DAS*	$40 Per Hour	$46 Per Hour	N/A*	15%
Management**	$73	0	0	0
Total			$34,727	5%

*Currently, there are no Non-DAS customers
** The management rate was not charged during FY 2019

Fleet Operations
Rate Committee Action

DAS Recommended Actions

Action	Slide Number or Reference	Change
Approve Mileage Rate modifications	77	$(54,202)
Approve Fuel Network Retail Rate	81	$413.311
Approve Fuel Network State Owned Rate	81	$564,512
Approve Travel Booking Fee	84	$103,656
Approve Transaction Rate modifications	87	$34,727
Approve all other existing rates	S.B. 8 (2019), Lines 2129-2188	No other changes

2122 DIVISION OF FINANCE
2123 **ISF - Consolidated Budget and Accounting**

2124 Basic Accounting and Transactions (per hour)	40.00
2125 Financial Management (per hour)	73.00

2129 DIVISION OF FLEET OPERATIONS
2130 **ISF - Fuel Network**

2131 Charge (per gallon)	0.075
2132 greater than or equal to 60,000 gal./yr	
2133 Charge at low volume sites (per gallon)	0.105
2134 less than 60,000 gal./yr.	
2135 Percentage of transaction value at all sites	3.0%
2136 Accounts receivable late fee	
2137 Past 30 days	5% of balance
2138 Past 60 days	10% of balance
2139 Past 90 days	15% of balance
2140 CNG Maintenance and Depreciation (per gallon)	1.15

2141 **ISF - Motor Pool**

2142 Telematics GPS tracking	Actual cost

2143 Commercial Equipment Rental Cost plus $12 Fee
2144 Administrative Fee for Do-Not Replace Vehicles (per Month) 51.29
2145 Service Fee (per 12) $12 Service Fee
2146 General MP Info Research Fee (per 12) $12 Per Hour
2147 Lost or damaged fuel/maint card replacement fee (per 2) $2 Fee
2148 Vehicle Complaint Processing Fee (per 20) $20 Fee
2149 Operator negligence and vehicle abuse fees (per 0) Varies (abuse or driver neglect cases only)
2150 Lease Rate (per month, per vehicle) See formula
2151 Contract price less salvage value divided by current life cycle.
2152 Mileage See formula
2153 Maintenance and repair costs for a particular class of vehicle, divided by
2154 total miles for that class
2155 Fuel Pass-through Actual cost
2156 Equipment rate for Public Safety vehicles Actual cost
2157 Additional Management
2158 Daily Pool Rates - Actual Cost From Vendor Contract - Actual Cost Actual Cost
2159 Administrative Fee for Overhead 42.00
2160 Management Information System (per month) 3.00
2161 Vehicle Feature and Miscellaneous Equipment Upgrade Actual cost
2162 Vehicle Class Differential Upgrade Actual cost
2163 Bad Odometer Research 50.00
2164 Operator fault
2165 Vehicle Detail Cleaning Service 40.00
2166 Excessive Maintenance, Accessory Fee Variable
2167 Accounts receivable late fee
2168 Past 30-days 5% of balance
2169 Past 60-days 10% of balance
2170 Past 90-days 15% of balance
2171 Accident deductible rate charged (per accident) Actual cost
2172 Operator negligence and vehicle abuse Variable
2173 Statutory Maintenance Non-Compliance
2174 10 days late (per vehicle per month) 100.00
2175 20 days late (per vehicle per month) 200.00
2176 30+ days late (per vehicle per month) 300.00
2177 Seasonal Use Vehicle Lease 155.02
2178 **ISF - Travel Office**
2179 Travel

2180 Travel Agency Service	
2181 Regular	26.00
2182 Online	16.00
2183 State Agent	21.00
2184 Group	
2185 16-25 people	23.50
2186 26-45 people	21.00
2187 46+ people	18.50
2188 School District Agent	16.00

Pro Forma Financial Statements
Fleet Administration

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	62,836	66,032	61,485	52,004	52,004	52,004	52,004
ACCOUNTS RECEIVABLE	-	-	-	-	-	-	-
DUE FROM OTHER FUNDS	-	-	467	-	-	-	-
INVENTORIES							
PREPAID EXPENSES							
TOTAL CURRENT ASSETS	**62,836**	**66,032**	**61,952**	**52,004**	**52,004**	**52,004**	**52,004**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LAND / LAND IMPROVEMENTS							
CONSTRUCTION IN PROGRESS							
BUILDINGS AND IMPROVEMENTS							
MACHINERY AND EQUIPMENT							
ACCUMULATED DEPRECIATION							
TOTAL CAPITAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**62,836**	**66,032**	**61,952**	**52,004**	**52,004**	**52,004**	**52,004**
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	18,479	21,428	1,844	1,628	1,628	1,628	1,628
ACCRUED LIABILITIES	-	-	13,982	6,014	6,014	6,014	6,014
DEFERRED REVENUE	-	-	-	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)							
DUE TO OTHER FUNDS	112	359	1,881	117	117	117	117
POLICY CLAIMS LIABILITIES - SHORT TERM							
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	**18,591**	**21,787**	**17,707**	**7,759**	**7,759**	**7,759**	**7,759**
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	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**18,591**	**21,787**	**17,707**	**7,759**	**7,759**	**7,759**	**7,759**
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	**62,836**	**66,032**	**61,952**	**52,004**	**52,004**	**52,004**	**52,004**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)							
Rate Impact							
TOTAL OPERATING REVENUES (after proposed rate impacts)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
PERSONAL SERVICES	255,918	446,980	350,817	375,131	386,385	397,976	409,916
TRAVEL EXPENSE	6,556	8,731	4,390	5,175	5,000	5,000	5,000
CURRENT EXPENSE	89,469	84,297	149,922	105,345	110,000	115,000	120,000
CURRENT EXPENSE - DATA PROCESSING	65,998	63,955	65,148	1,936	5,000	5,000	5,000
DEPRECIATION EXPENSE							
OTHER EXPENSES	(417,941)	(603,963)	(570,277)	(487,587)	(506,385)	(522,976)	(539,916)
TOTAL OPERATING EXPENSES	**-**	**-**	**-**	**-**	**(0)**	**0**	**(0)**
TOTAL OPERATING INCOME (LOSS)	**-**	**-**	**-**	**-**	**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)	**-**	**-**	**-**	**-**	**0**	**(0)**	**0**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**61,437**	**62,836**	**66,032**	**61,485**	**52,004**	**52,004**	**52,004**
Total Cash from Sales	-	-	-	-	-	-	-
Capital Asset Disposal Proceeds	-	-	-	-	-	-	-
Federal Grants							
State Appropriations							
Other Sources							
TOTAL SOURCES OF CASH	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash Used for Operations	1,399	3,196	(4,547)	(9,481)	-	-	-
Payments for Capital Assets	-	-	-	-	-	-	-
State Appropriations							
Other Uses							
TOTAL USES OF CASH	**1,399**	**3,196**	**(4,547)**	**(9,481)**	**-**	**-**	**-**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**62,836**	**66,032**	**61,485**	**52,004**	**52,004**	**52,004**	**52,004**

Pro Forma Financial Statements
Motor Pool

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS							
ACCOUNTS RECEIVABLE	89,385	123,327	179,136	182,756	200,000	200,000	200,000
DUE FROM OTHER FUNDS	2,564,387	3,158,762	2,795,031	2,800,000	2,800,000	2,800,000	2,800,000
INVENTORIES							
PREPAID EXPENSES		106,617	5,000	1,375			
TOTAL CURRENT ASSETS	**2,653,772**	**3,388,706**	**2,979,167**	**2,984,131**	**3,000,000**	**3,000,000**	**3,000,000**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LAND / LAND IMPROVEMENTS							
VEHICLES	130,102,485	133,671,298	129,679,596	127,670,589	127,170,589	126,670,589	125,670,589
BUILDINGS AND IMPROVEMENTS	173,480	173,480	173,480	173,480	173,480	173,480	173,480
MACHINERY AND EQUIPMENT	206,240	303,385	439,528	554,989	554,989	554,989	554,989
ACCUMULATED DEPRECIATION	(55,435,068)	(58,946,237)	(57,150,261)	(58,380,364)	(58,380,364)	(58,380,364)	(58,380,364)
TOTAL CAPITAL ASSETS	**75,047,137**	**75,201,926**	**73,142,343**	**70,018,694**	**69,518,694**	**69,018,694**	**68,018,694**
TOTAL ASSETS	**77,700,909**	**78,590,632**	**76,121,510**	**73,002,825**	**72,518,694**	**72,018,694**	**71,018,694**
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	1,221,898	762,318	1,155,364	1,243,672	1,250,000	1,250,000	1,250,000
ACCRUED LIABILITIES	-	22,581	-	303,313	300,000	300,000	300,000
DEFERRED REVENUE	-	600,292	1,001,549	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	15,086,132	15,319,900	12,463,313	12,000,000	12,000,000	12,000,000	12,000,000
DUE TO OTHER FUNDS	45,087	10,830	1,185	471	5,000	5,000	5,000
POLICY CLAIMS LIABILITIES - SHORT TERM							
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	**16,353,117**	**16,715,921**	**14,621,411**	**13,547,456**	**13,555,000**	**13,555,000**	**13,555,000**
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)	16,271,497	12,243,878	9,196,718	6,984,061	6,713,231	6,721,464	6,471,956
POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	**16,271,497**	**12,243,878**	**9,196,718**	**6,984,061**	**6,713,231**	**6,721,464**	**6,471,956**
TOTAL LIABILITIES	**32,624,614**	**28,959,799**	**23,818,129**	**20,531,517**	**20,268,231**	**20,276,464**	**20,026,956**
CONTRIBUTED CAPITAL	36,981,774	38,337,609	38,933,586	41,431,119	42,631,119	43,831,119	45,031,119
RETAINED EARNINGS	8,094,521	11,293,224	13,369,795	11,041,189	9,620,859	7,912,646	5,961,669
TOTAL FUND EQUITY / NET ASSETS	**45,076,295**	**49,630,833**	**52,303,381**	**52,472,308**	**52,251,978**	**51,743,765**	**50,992,788**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**77,700,909**	**78,590,632**	**76,121,510**	**73,003,825**	**72,520,209**	**72,020,229**	**71,019,744**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**28,063,241**	**29,523,121**	**32,055,150**	**32,235,198**	**32,235,198**	**31,427,298**	**31,373,096**
Rate Impact					**(807,900)**	**(54,202)**	
TOTAL OPERATING REVENUES (after proposed rate impacts)	**28,063,241**	**29,523,121**	**32,055,150**	**32,235,198**	**31,427,298**	**31,373,096**	**31,373,096**
PERSONAL SERVICES	845,183	840,783	1,146,767	1,326,766	1,366,569	1,407,566	1,449,793
TRAVEL EXPENSE	3,781	2,069	4,048	234,747	250,000	250,000	250,000
CURRENT EXPENSE	12,029,837	13,221,362	17,066,592	20,057,100	19,634,184	20,026,868	20,427,405
CURRENT EXPENSE - DATA PROCESSING	328,286	441,448	325,568	453,761	450,000	450,000	450,000
DEPRECIATION EXPENSE	11,268,930	11,925,982	11,733,943	11,346,875	11,146,875	10,946,875	10,746,875
OTHER EXPENSES	238,210	396,661	486,776	409,194	400,000	400,000	400,000
TOTAL OPERATING EXPENSES	**24,714,227**	**26,828,305**	**30,763,694**	**33,828,443**	**33,247,628**	**33,481,309**	**33,724,073**
TOTAL OPERATING INCOME (LOSS)	**3,349,014**	**2,694,816**	**1,291,456**	**(1,593,245)**	**(1,820,330)**	**(2,108,213)**	**(2,350,977)**
GAIN (LOSS) ON SALE OF FIXED ASSETS	(21,461)	503,887	785,115	185,770	400,000	400,000	400,000
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT				(921,131)			
OPERATING TRANSFERS IN (OUT)							
NET INCOME (LOSS)	**3,327,553**	**3,198,703**	**2,076,571**	**(2,328,606)**	**(1,420,330)**	**(1,708,213)**	**(1,950,977)**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**(33,317,489)**	**(31,357,629)**	**(27,563,778)**	**(21,660,031)**	**(18,958,804)**	**(18,662,717)**	**(18,645,693)**
Total Cash from Sales	28,078,674	29,495,095	31,747,228	32,243,787	31,444,542	31,373,096	31,373,096
Capital Asset Disposal Proceeds	3,531,428	3,328,876	5,394,975	4,071,457	4,000,000	4,000,000	4,000,000
Federal Grants							
State Appropriations							
Fleet Expansion	1,395,208	1,355,835	595,977	2,497,533	1,200,000	1,200,000	1,200,000
TOTAL SOURCES OF CASH	**33,005,310**	**34,179,806**	**37,738,180**	**38,812,777**	**36,644,542**	**36,573,096**	**36,573,096**
Cash Used for Operations	(13,716,941)	(15,480,195)	(17,701,021)	(23,736,151)	(24,348,455)	(24,556,072)	(24,298,331)
Payments for Capital Assets	(17,328,509)	(14,905,760)	(14,133,412)	(11,454,268)	(12,000,000)	(12,000,000)	(12,000,000)
State Appropriations							
Other Uses (federal retained earnings refund)				(921,131)			
TOTAL USES OF CASH	**(31,045,450)**	**(30,385,955)**	**(31,834,433)**	**(36,111,550)**	**(36,348,455)**	**(36,556,072)**	**(36,298,331)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**(31,357,629)**	**(27,563,778)**	**(21,660,031)**	**(18,958,804)**	**(18,662,717)**	**(18,645,693)**	**(18,370,928)**

Pro Forma Financial Statements
Fuel Network

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS							
ACCOUNTS RECEIVABLE	2,026,111	2,041,959	2,298,651	2,396,131	2,396,131	2,396,131	2,396,131
DUE FROM OTHER FUNDS	614,164	765,043	766,153	700,000	750,000	750,000	750,000
INVENTORIES	3,138,898	3,038,898	3,888,898	1,676,719	1,700,000	1,750,000	1,800,000
PREPAID EXPENSES		1,331	109,867	1,518			
TOTAL CURRENT ASSETS	**5,779,173**	**5,847,231**	**7,063,569**	**4,774,368**	**4,846,131**	**4,896,131**	**4,946,131**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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	3,769,954	5,762,195	6,591,668	7,691,668	8,291,668	8,391,668
ACCUMULATED DEPRECIATION	(3,382,651)	(3,494,313)	(3,740,214)	(4,067,612)	(4,442,612)	(4,842,612)	(5,267,612)
TOTAL CAPITAL ASSETS	**417,245**	**294,808**	**2,041,148**	**2,543,223**	**3,268,223**	**3,468,223**	**3,143,223**
TOTAL ASSETS	**6,196,418**	**6,142,039**	**9,104,717**	**7,317,591**	**8,114,354**	**8,364,354**	**8,089,354**
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	1,463,280	1,472,587	2,429,031	2,191,663	2,191,663	2,191,663	2,191,663
ACCRUED LIABILITIES	-	-	27,772	-	-	-	-
DEFERRED REVENUE	-	-	-	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	-	133,437	124,414	124,414	124,414	124,414	124,414
DUE TO OTHER FUNDS	216	29,234	248	212	5,000	5,000	5,000
POLICY CLAIMS LIABILITIES - SHORT TERM							
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	**1,463,496**	**1,635,258**	**2,581,465**	**2,316,289**	**2,321,077**	**2,321,077**	**2,321,077**
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)	3,933,511	4,445,094	4,493,951	4,684,209	4,929,578	4,225,905	3,568,611
POLICY CLAIMS LIABILITIES - LONG-TERM							
TOTAL LONG-TERM LIABILITIES	**3,933,511**	**4,445,094**	**4,493,951**	**4,684,209**	**4,929,578**	**4,225,905**	**3,568,611**
TOTAL LIABILITIES	**5,397,007**	**6,080,352**	**7,075,416**	**7,000,498**	**7,250,655**	**6,546,982**	**5,889,688**
CONTRIBUTED CAPITAL			1,807,584	2,654,873	3,654,873	4,154,873	4,154,873
RETAINED EARNINGS	799,411	61,687	221,717	(2,337,780)	(2,791,174)	(2,337,501)	(1,955,207)
TOTAL FUND EQUITY / NET ASSETS	**799,411**	**61,687**	**2,029,301**	**317,093**	**863,699**	**1,817,372**	**2,199,666**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**6,196,418**	**6,142,039**	**9,104,717**	**7,317,591**	**8,114,354**	**8,364,354**	**8,089,354**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**24,001,988**	**24,345,790**	**27,510,922**	**31,355,318**	**31,355,318**	**31,355,318**	**32,333,141**
Rate Impact						**977,823**	
TOTAL OPERATING REVENUES (after proposed rate impacts)	**24,001,988**	**24,345,790**	**27,510,922**	**31,355,318**	**31,355,318**	**32,333,141**	**32,333,141**
PERSONAL SERVICES	660,771	660,132	632,962	671,708	691,859	712,615	733,993
TRAVEL EXPENSE	-	2,278	36	5,566	500	500	500
CURRENT EXPENSE	23,342,065	23,948,909	26,148,701	32,719,261	30,491,353	30,516,353	30,541,353
CURRENT EXPENSE - DATA PROCESSING	84,311	49,001	40,425	47,004	50,000	50,000	50,000
DEPRECIATION EXPENSE	145,315	122,437	245,901	327,398	375,000	400,000	425,000
OTHER EXPENSES	277,773	300,757	282,867	196,377	200,000	200,000	200,000
TOTAL OPERATING EXPENSES	**24,510,235**	**25,083,514**	**27,350,892**	**33,967,314**	**31,808,712**	**31,879,468**	**31,950,846**
TOTAL OPERATING INCOME (LOSS)	**(508,247)**	**(737,724)**	**160,030**	**(2,611,996)**	**(453,394)**	**453,673**	**382,295**
GAIN (LOSS) ON SALE OF FIXED ASSETS				52,499			
INTEREST INCOME							
INTEREST EXPENSE							
FEDERAL GRANTS							
RETAINED EARNINGS REFUNDS TO FEDERAL GOVERNMENT							
OPERATING TRANSFERS IN (OUT)	150,000						
NET INCOME (LOSS)	**(358,247)**	**(737,724)**	**160,030**	**(2,559,497)**	**(453,394)**	**453,673**	**382,295**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**(1,954,187)**	**(3,933,511)**	**(4,578,531)**	**(4,618,365)**	**(4,808,623)**	**(5,053,992)**	**(4,350,319)**
Total Cash from Sales	24,313,878	24,179,063	28,362,032	29,076,986	31,428,599	32,383,141	32,383,141
Capital Asset Disposal Proceeds	-	-	-	-	-	-	-
Federal Grants							
State Appropriations	150,000		1,807,584	847,289	1,000,000	500,000	
Other Sources							
TOTAL SOURCES OF CASH	**24,463,878**	**24,179,063**	**30,169,616**	**29,924,275**	**32,428,599**	**32,883,141**	**32,383,141**
Cash Used for Operations	(26,443,202)	(24,824,083)	(30,024,792)	(30,114,533)	(32,573,968)	(32,079,468)	(31,625,847)
Payments for Capital Assets	-	-	(184,658)	-	(100,000)	(100,000)	(100,000)
State Appropriations							
Other Uses							
TOTAL USES OF CASH	**(26,443,202)**	**(24,824,083)**	**(30,209,450)**	**(30,114,533)**	**(32,673,968)**	**(32,179,468)**	**(31,725,847)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**(3,933,511)**	**(4,578,531)**	**(4,618,365)**	**(4,808,623)**	**(5,053,992)**	**(4,350,319)**	**(3,693,025)**

Pro Forma Financial Statements
State Travel

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	-	63,676	85,080	39,933	(29,099)	(29,328)	(36,175)
ACCOUNTS RECEIVABLE	42,552	67,768	59,239	40,893	40,000	40,000	40,000
DUE FROM OTHER FUNDS	-	129	1,248	30,088	-	-	-
INVENTORIES							
PREPAID EXPENSES			5,000	88			
TOTAL CURRENT ASSETS	**42,552**	**131,573**	**150,567**	**111,002**	**10,901**	**10,672**	**3,825**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LAND / LAND IMPROVEMENTS							
CONSTRUCTION IN PROGRESS							
BUILDINGS AND IMPROVEMENTS							
MACHINERY AND EQUIPMENT							
ACCUMULATED DEPRECIATION							
TOTAL CAPITAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**42,552**	**131,573**	**150,567**	**111,002**	**10,901**	**10,672**	**3,825**
LIABILITIES & FUND EQUITY							
VOUCHERS PAYABLE	27,755	26,203	21,845	27,641	25,000	25,000	25,000
ACCRUED LIABILITIES	-	-	5,012	-	-	-	-
DEFERRED REVENUE							
INTERFUND LOAN (Short Term Cash Deficit)	4,624						
DUE TO OTHER FUNDS	151	57	64	65	65	65	65
POLICY CLAIMS LIABILITIES - SHORT TERM							
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	**32,530**	**26,260**	**26,921**	**27,706**	**25,065**	**25,065**	**25,065**
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	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**32,530**	**26,260**	**26,921**	**27,706**	**25,065**	**25,065**	**25,065**
CONTRIBUTED CAPITAL							
RETAINED EARNINGS	10,022	105,313	123,646	83,296	(14,164)	(14,393)	(21,240)
TOTAL FUND EQUITY / NET ASSETS	**10,022**	**105,313**	**123,646**	**83,296**	**(14,164)**	**(14,393)**	**(21,240)**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**42,552**	**131,573**	**150,567**	**111,002**	**10,901**	**10,672**	**3,825**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**545,176**	**600,423**	**542,203**	**519,191**	**519,191**	**519,191**	**622,847**
Rate Impact						**103,656**	
TOTAL OPERATING REVENUES (after proposed rate impacts)	**545,176**	**600,423**	**542,203**	**519,191**	**519,191**	**622,847**	**622,847**
PERSONAL SERVICES	175,699	176,620	193,966	207,914	214,151	220,576	227,193
TRAVEL EXPENSE	611	332	136	967	500	500	500
CURRENT EXPENSE	343,729	319,453	320,936	332,267	389,000	389,000	389,000
CURRENT EXPENSE - DATA PROCESSING	11,377	4,797	5,161	12,418	8,000	8,000	8,000
DEPRECIATION EXPENSE							
OTHER EXPENSES	5,505	3,929	3,671	5,975	5,000	5,000	5,000
TOTAL OPERATING EXPENSES	**536,921**	**505,131**	**523,870**	**559,541**	**616,651**	**623,076**	**629,693**
TOTAL OPERATING INCOME (LOSS)	**8,255**	**95,292**	**18,333**	**(40,350)**	**(97,460)**	**(229)**	**(6,846)**
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)	**8,255**	**95,292**	**18,333**	**(40,350)**	**(97,460)**	**(229)**	**(6,846)**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**1,095**	**(4,624)**	**63,676**	**85,080**	**39,933**	**(29,099)**	**(29,328)**
Total Cash from Sales	535,473	575,077	534,793	529,685	488,210	622,847	622,847
Capital Asset Disposal Proceeds	-	-	-	-	-	-	-
Federal Grants							
State Appropriations							
Other Sources							
TOTAL SOURCES OF CASH	**535,473**	**575,077**	**534,793**	**529,685**	**488,210**	**622,847**	**622,847**
Cash Used for Operations	(541,192)	(506,777)	(513,389)	(574,832)	(557,242)	(623,076)	(629,694)
Payments for Capital Assets	-	-	-	-	-	-	-
State Appropriations							
Other Uses							
TOTAL USES OF CASH	**(541,192)**	**(506,777)**	**(513,389)**	**(574,832)**	**(557,242)**	**(623,076)**	**(629,694)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**(4,624)**	**63,676**	**85,080**	**39,933**	**(29,099)**	**(29,328)**	**(36,175)**

Pro Forma Financial Statements
Transactions Team (Previously the Consolidated Budget & Accounting Team in State Finance)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Preliminary	FY 2020 Forecast	FY 2021 Forecast	FY 2022 Forecast
BALANCE SHEET							
ASSETS							
CASH & CASH EQUIVALENTS	27,847	13,391	5,192	31,663	31,663	47,312	43,332
ACCOUNTS RECEIVABLE	-		-	-	-	-	-
DUE FROM OTHER FUNDS	47,036	57,551	32,793	-	-	-	-
INVENTORIES							
PREPAID EXPENSES			5,000				
TOTAL CURRENT ASSETS	**74,883**	**70,942**	**42,985**	**31,663**	**31,663**	**47,312**	**43,332**
DEFERRED CHARGES/ PREPAID EXPENSE - LONG TERM							
TOTAL OTHER ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
LAND / LAND IMPROVEMENTS							
CONSTRUCTION IN PROGRESS							
BUILDINGS AND IMPROVEMENTS							
MACHINERY AND EQUIPMENT							
ACCUMULATED DEPRECIATION							
TOTAL CAPITAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL ASSETS	**74,883**	**70,942**	**42,985**	**31,663**	**31,663**	**47,312**	**43,332**
LIABILITIES & FUND EQUITY							
ACCOUNTS PAYABLE & ACCRUED LIABILITIES	88,102	74,482	42,008	30,700	30,700	30,700	30,700
DEFERRED REVENUE	-	-	-	-	-	-	-
INTERFUND LOAN (Short Term Cash Deficit)	-	-	-	-	-	-	-
DUE TO OTHER FUNDS	611	2,154	192	178	178	178	178
POLICY CLAIMS LIABILITIES - SHORT TERM							
CAPITAL LEASE PAYABLE-SHORT TERM							
REVENUE BONDS - SHORT TERM							
TOTAL CURRENT LIABILITIES	**88,713**	**76,636**	**42,200**	**30,878**	**30,878**	**30,878**	**30,878**
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	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**88,713**	**76,636**	**42,200**	**30,878**	**30,878**	**30,878**	**30,878**
CONTRIBUTED CAPITAL							
RETAINED EARNINGS	(13,830)	(5,694)	785	785	785	16,434	12,454
TOTAL FUND EQUITY / NET ASSETS	**(13,830)**	**(5,694)**	**785**	**785**	**785**	**16,434**	**12,454**
TOTAL LIABILITIES & FUND EQUITY / NET ASSETS	**74,883**	**70,942**	**42,985**	**31,663**	**31,663**	**47,312**	**43,332**
INCOME STATEMENT							
TOTAL OPERATING REVENUES (before proposed rate impacts)	**1,524,375**	**1,594,880**	**1,244,514**	**750,237**	**671,557**	**671,557**	**706,284**
Rate Impact		**-**				**34,727**	
TOTAL OPERATING REVENUES (after proposed rate impacts)	**1,524,375**	**1,594,880**	**1,244,514**	**750,237**	**671,557**	**706,284**	**706,284**
PERSONAL SERVICES	1,493,470	1,489,525	1,136,532	644,344	565,000	581,950	599,409
TRAVEL EXPENSE	-	-	-	164	164	164	164
CURRENT EXPENSE	43,526	46,939	43,235	39,734	39,734	40,529	41,339
CURRENT EXPENSE - DATA PROCESSING	38,496	44,480	52,360	32,785	32,785	33,441	34,110
DEPRECIATION EXPENSE	-	-	-	-	-	-	-
OTHER EXPENSES	13,264	5,800	5,908	33,210	33,874	34,552	35,243
TOTAL OPERATING EXPENSES	**1,588,756**	**1,586,744**	**1,238,035**	**750,237**	**671,557**	**690,635**	**710,264**
TOTAL OPERATING INCOME (LOSS)	**(64,381)**	**8,136**	**6,479**	**-**	**(0)**	**15,649**	**(3,980)**
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)	**(64,381)**	**8,136**	**6,479**	**-**	**(0)**	**15,649**	**(3,980)**
CASH FLOW STATEMENT							
BEGINNING CASH BALANCE / (INTERFUND LOAN BALANCE)	**102,186**	**27,847**	**13,391**	**5,192**	**31,663**	**31,663**	**47,312**
Total Cash from Sales	1,525,653	1,584,365	1,219,756	717,444	671,557	706,284	706,284
Capital Asset Disposal Proceeds	-	-	-	-	-	-	-
Federal Grants							
State Appropriations							
Other Sources							
TOTAL SOURCES OF CASH	**1,525,653**	**1,584,365**	**1,219,756**	**717,444**	**671,557**	**706,284**	**706,284**
Cash Used for Operations	(1,599,992)	(1,598,821)	(1,227,955)	(690,973)	(671,557)	(690,635)	(710,264)
Payments for Capital Assets	-	-	-	-	-	-	-
State Appropriations							
Other Uses							
TOTAL USES OF CASH	**(1,599,992)**	**(1,598,821)**	**(1,227,955)**	**(690,973)**	**(671,557)**	**(690,635)**	**(710,264)**
ENDING CASH BALANCE/(INTERFUND LOAN BALANCE)	**27,847**	**13,391**	**5,192**	**31,663**	**31,663**	**47,312**	**43,332**