



Department of
Administrative
Services
SERVICES ELEVATED

2013 ANNUAL REPORT



CONTENT

Message from the Governor.....	4
Message from the Executive Director	5
Shared Services	7
Enterprise Risk Management	8
SUCCESS Program.....	10
HB 168	11
Restructuring of DFCM	12
Honors and Recognitions.....	13
Executive Management Customer Satisfaction Survey	14
Department of Administrative Services	15
Division of Administrative Rules.....	21
Division of Archives & Records Service.....	30
Division of Facilities Construction & Management	42
Division of Finance	56
Division of Fleet Operations	67
Division of Purchasing & General Services	76
Division of Risk Management.....	85
Utah Navajo Royalties Holding Fund	94



Greetings,

As Governor, it is my privilege to introduce the 2013 Annual Report for the Utah Department of Administrative Services (DAS). The DAS works diligently to be the preferred and most trusted provider of products, services, and

infrastructure to state agencies, institutions of higher education, and other governmental entities. These essential services and products facilitate the efficient workings of state government.

This year, in response to my directive that every state agency increase efficiency by a measureable 25 percent over the next four years, DAS is developing a plan for each of its seven divisions to reach that goal individually. From enhancing utilization in the state fleet to streamlining financial operations, DAS employees are answering the call for creative and innovative ideas to improve business processes.

In fact, I was pleased to present the 2013 Governor’s Award for Excellence 2013 for Leadership and Innovation to the DAS Enterprise Risk Management team in recognition of its vision and commitment in managing both risks and opportunities in state government. This effort filtered through every level of the department and allowed all DAS employees the opportunity to participate in the process.

I would like to extend my thanks to all DAS employees for commitment to excellence in public service. Their efforts are recognized and appreciated greatly.

Sincerely,

Gary R. Herbert
Governor

The Department of Administrative Services (DAS) is a dynamic organization made up of many diverse fields of industry. Our highly skilled employees bring expertise to financial accounting, construction and management of buildings, fleet and fuel network operations, risk management, procurement and general services. We also provide administrative rule-making and government records management. What binds all of these different fields of industry into one solid department is our Mission, Vision, Values, and Goals.



The Mission of the DAS is to provide products and services of the highest quality and best VALUE to our government customers and the public. Value is defined as the relationship between quality and cost. Value guides us to be quality driven as well as cost conscious in our systems, products and services.

The Vision of the DAS is to be the PREFERRED and most TRUSTED provider of goods and services and innovative solutions to meet customer needs. Trust in the DAS is essential for building strong customer relationships and serving the public. Being the preferred provider keeps us focused on listening and responding to customer needs.

Our Values of Integrity and Honesty, Transparency and Accountability, being Reliable, yet Flexible, and building Partnerships guide our outstanding employees as they make important leadership decisions. Decisions born out of our values build trust and reinforce our mission.

The Goals of the DAS align with the cornerstones of Governor Herbert and flow with employee performance in the department. Four simple goals keenly shape our annual agenda:

- ▶ Increase efficiency and effectiveness of operations
- ▶ Develop a high quality performing workforce
- ▶ Improve communications and customer relations
- ▶ Institutionalize cyber-security and emergency preparedness

The journey toward a mature Shared Services Operations Model elevates the DAS' SUCCESS challenge to improve government services by 25 percent over the next four years. We are off to a dashing start in our review of all of the major systems and processes. DAS employees are dedicated to improve transparency, increase accountability and develop meaningful performance measurements to keep us on track.

Once again it remains my privilege to serve the great State of Utah and represent this fine organization. I want to thank Governor Herbert for his leadership and the Legislature for their support. I also want to thank the DAS employees for the dedicated service, and the many advisory group members who give us feedback to improve the service we provide.



Kimberly K. Hood
Executive Director
Department of Administrative Services

SHARED SERVICES

The DAS continued its journey toward a comprehensive shared services operations model in FY2013. Seven identifiable elements provide the roadmap for the department's journey. They are service management, continuous improvement, enabling technology, process standardization, governance, performance measurement, and customer relations. With a greater emphasis on executive leadership education and service portfolio refinement, the team reached out to customer agencies and other interested participants to help identify areas for improvement. As a result, the DAS is organizing a new governance board of customer and other advisors. The governance board will meet quarterly to advise DAS on issues surrounding its value driven service delivery.



In addition, following the continuous improvement SUCCESS project implemented by the Governor's Office of Management and Budget (GOMB), the DAS began an in-depth review of all of its major processes, systems, and positions. Better coordination of services among the different divisions is an outcome of this effort, as is sharing silo information across systems.

ENTERPRISE RISK MANAGEMENT

Over three years ago, DAS implemented Enterprise Risk Management (ERM), an evolutionary process for identifying and mitigating threats to our strategic goals.

Perhaps the most significant aspect of the ERM process is its ongoing engagement of employees in prioritizing the very threats and opportunities they have identified and ranked each year since ERM was implemented. Among those identified threats were the following:

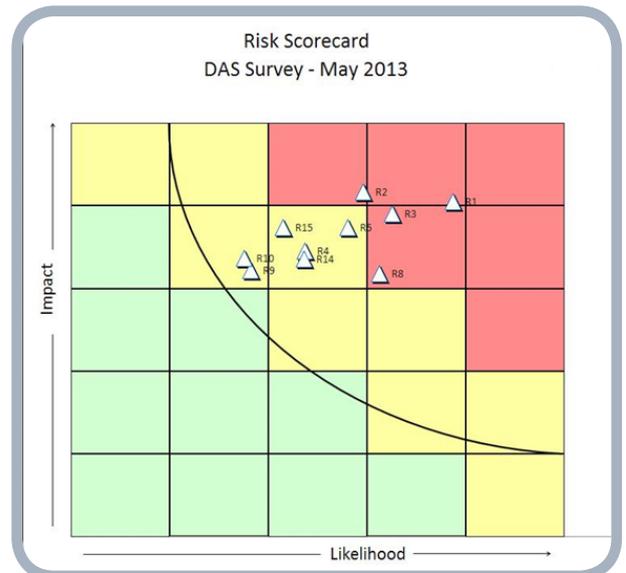
- ▶ Employee retention, morale and training opportunities
- ▶ Cyber security protection and reputational threats
- ▶ Budget reductions and lack of resources to meet job expectations
- ▶ Communication challenges between DAS levels (management, supervisors, staff)
- ▶ Imperfect understanding of customer needs
- ▶ Effective planning for major disruptions of operations

During the past three years, department-wide employee work groups have been studying and recommending strategies to executive leadership. Most of those recommendations have been implemented, fostering a greater alignment with our strategic goals. The DAS has a broader culture of awareness, both of threats and of the potential opportunities those threats create.

Last year, the ERM process was enhanced as each Division's executive team identified and ranked credible worst case scenarios. Each Division was also charged to identify, prioritize and implement mitigation strategies relative to the scenarios they had identified.

This year, DAS will be asking its stakeholders to identify and rank their perceived threats against the fulfillment of DAS's mission. Stakeholders will also be asked to identify and rank the opportunities associated with those threats. DAS leadership will use this additional information to develop mitigation strategies and report the results of those efforts to their stakeholders.

Through this enduring ERM process, DAS will continue to lead out in achieving its strategic goals and fulfilling its core mission.



Pictured is a heat map of employee-identified risks threatening the Department of Administrative Services. Risks in the red zone are high-frequency and high dollar and pose the most concerning threats. The yellow zone is a warning zone and the Department is less concerned with risks in the green portion of the grid.

SUCCESS PROGRAM

In January of 2013, Governor Gary Herbert announced a bold vision of operational excellence for all state agencies – a 25 percent measurable increase in efficiencies over the next four years. Governor Herbert stated that “achieving this target requires a comprehensive approach to operational excellence. From setting clear goals and targets, to systems thinking and root cause analysis, to project management practices – we intend to develop and maintain the nation’s gold standard for government.” The governor was very clear that the 25% target is not an exercise in reducing budgets; rather the focus is on improving all aspects of operational performance.

In support of this initiative, the GOMB provided a set of tools and principles called the SUCCESS framework. As part of this framework, each agency was asked to develop a “QT/OE” equation where a measurement of quality (Q) is multiplied by an identified throughput (T) and divided by operational expenses (OE). This measurement will be used as a monthly gauge in evaluating each agency’s efficiency gains.

The DAS enthusiastically embraced the governor’s challenge and asked each of its seven divisions to develop a plan to achieve a 25% increase in efficiency within their individual systems and processes. With the help of a team comprised of DAS employees and representatives from the Governor’s Office, each division is identifying target systems and processes where potential efficiencies can be gained. Quality measurements and throughputs are identified and division QT/OE equations are being developed. As equations are refined, performance metrics will be identified that support each equation and tell a clear story of the Department’s “SUCCESS”.



HB 168

HB 168, “Air Quality Mitigation by Government Entities,” introduced by Rep. Patrice Arent, requires all state agencies and local school districts to report what they’re currently doing to alleviate Utah’s pollution problem and to develop and put into practice plans for future mitigation.

The DAS has led by example for years in the effort to be environmentally responsible. From contractually obligating our cleaning staff to use only green products to gradually converting the state fleet to more energy efficient vehicles, DAS is committed to help the Governor reach his energy conservation goals while maintaining fiscal responsibility. Other pollution mitigation strategies DAS utilizes include:

- ▶ Providing an ECO mass transit pass at no charge to employees.
- ▶ Requiring that building crews only use green, non-aerosol cleaning products.
- ▶ Supporting flex schedules and mass transit (315 out of 435 employees currently work either a flexible schedule or take public transit in order to reduce driving during peak times).
- ▶ Retrofitting 98 percent of the State owned building inventory to more efficient lighting technology, saving the state up to 30 percent on the cost of lighting.
- ▶ Utilizing facilities where conference calls, remote meetings, and trainings can be facilitated, saving thousands of vehicle miles each year.
- ▶ Fleet Operations strongly advocates and uses hundreds of hybrid or CNG engine equipped vehicles.



Governor Gary Herbert speaks on a new CNG school bus at the Clean Air Legislation Event March 4, 2013

RESTRUCTURING OF DFCM

The Division of Facilities Construction and Management (DFCM) is currently undergoing organizational change to improve transparency, accountability, and partnership. The initial changes include three main areas:

1. Renewed emphasis on statutory responsibility
2. A performance-based model for project management
3. State Building Board (Building Board) independence with separate staff

Organizational changes re-emphasize the importance given in statute to the control and allocation of state-owned space, the State Building Energy Efficiency Program, and construction management. These changes highlight the core value of partnership with our agency and institutional customers in order to maximize space utilization, improve building energy efficiency, and construct life-cycle cost effective buildings.

The organizational changes also emphasize the distinction between Building Board and DFCM functions and provide better accountability for both entities. New, independent staff resources have been provided to the Building Board to coordinate agenda items and develop a new capital improvement prioritization process. As a result, the State of Utah will benefit from more transparent processes and greater accountability for the expenditure of capital budgets.

The State of Utah has some of the finest facilities – well maintained and well constructed – in the nation thanks to the efforts of our staff. These organizational changes will position the DFCM to better meet the statutory requirements of the Legislature, partner more with state agencies and institutions, and position the DFCM to develop and exceed a 25 percent efficiency goal as required by the Governor.



The failing windows of the State Office Building were replaced.

DAS HONORS AND RECOGNITIONS



The 2013 Governor's Award for Excellence for Leadership and Innovation was presented to the Enterprise Risk Management Team.

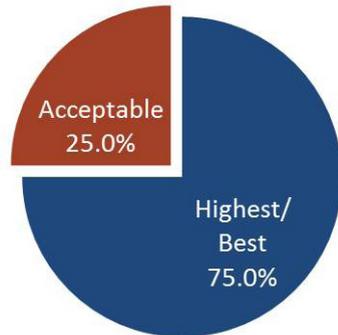
The DAS ERM Group was recognized by Governor Herbert for Excellence in Leadership/Innovation and Efficiency. The ERM group members are divided into the following four committees:

- ▶ **Human Capital** - The risks facing the ERM Human Capital committee are the potential for reduced benefits (pay, retirement, health insurance, etc.), low employee morale, and lack of support through training opportunities.
- ▶ **Financial** - The risks facing the ERM Financial committee are potential budget cuts and a lack of resources to meet job expectations as well as ineffective use of existing resources.
- ▶ **Operational** - The risks facing the ERM Operational committee are a failure to plan effectively for a major disruption of operations as well as the increasing threats to cyber security.
- ▶ **Reputational** - The risk facing the ERM Reputational committee is a lack of support or trust from partners including customers, the legislature, and the governor's office. An additional risk is the potential for DAS to not fully understand customer needs.

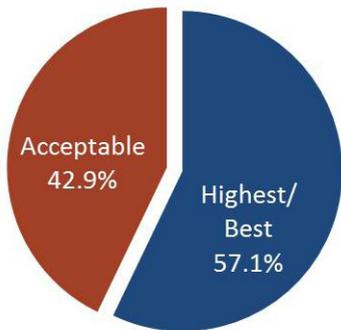
EXECUTIVE MANAGEMENT CUSTOMER SATISFACTION SURVEY RESULTS

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

1 Highest/Best	75.0%
2 Acceptable	25.0%
3 Somewhat Acceptable	0.0%
4 Lowest/Unacceptable	0.0%



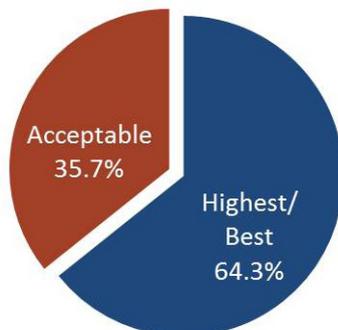
How satisfied are you with the services you received?



1 Highest/Best	57.1%
2 Acceptable	42.9%
3 Somewhat Acceptable	0.0%
4 Lowest/Unacceptable	0.0%

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

1 Highest/Best	64.3%
2 Acceptable	35.7%
3 Somewhat Acceptable	0.0%
4 Lowest/Unacceptable	0.0%



3120 State Office Building
Salt Lake City, UT 84114
Phone: (801) 538-3010
Fax: (801) 538-3844
www.das.utah.gov



The DAS leadership team. **Front row:** Kim Hood, Kent Beers, Ken Hansen, Patricia Smith-Mansfield, Tani Pack-Downing, Marilee Richins. **Back row:** Joshua Haines, Rich Amon, Sam Lee, John Reidhead, and Dave Williams.

MISSION STATEMENT

“To deliver support services of the highest quality and best value to government agencies and the public.”

DAS EXECUTIVE TEAM



McKenzie Ashman, Marilee Richins, Sue Hoskins, Kim Hood, Rich Amon, and Dana Edwards (not pictured: John Reidhead)

- ▶ Kim Hood, Executive Director
khood@utah.gov (801) 538-3010
- ▶ Rich Amon, Deputy Director
ramon@utah.gov (801) 538-3091
- ▶ John Reidhead, Chief Financial Officer
jreidhead@utah.gov (801) 538-3095
- ▶ Marilee Richins, Operational Officer
mprichins@utah.gov (801) 538-3215
- ▶ Dana Edwards, Executive Secretary
dedwards@utah.gov (801) 538-3010
- ▶ Sue Hoskins, Departmental Travel Coordinator
suehoskins@utah.gov (801) 538-9633
- ▶ McKenzie Ashman, Research Analyst
mashman@utah.gov (801) 538-1542

DAS TECHNICAL SERVICES TEAM



Tracy Pitkin, IT Manager, and Brent Cleverly, IT Director

DAS has numerous business applications. All departments of State government depend upon these applications to conduct much of their business. In order to properly plan for the best

operational environment for these applications and the review of new technology projects and expenditures, DAS has established an Information Technology (IT) Council. This council includes DAS the DAS Executive Leadership along with the Division Directors. The IT Council meets monthly to review, plan, and approve the IT direction for the department. This includes new technology projects, operational effectiveness, and security. In addition, the DAS IT Council is currently working on an implementation and execution plan to make sure all security policies are being followed along with educating our employees on the security policies and practices.

DAS HUMAN RESOURCE TEAM

The DAS Human Resource Council that was created in FY2012 continued into FY2013 with great success. Through this council, the HR team kept management up to date on hot topics such as the Affordable Care Act and legislative changes. Some of the HR-related policies affecting employees were updated during the year. The HR team also provided supervisory training for all DAS managers and supervisors. This training is a good resource for supervisors to help with the day to day personnel issues they deal with and to improve their effectiveness as they work with their employees.



Larene Wyss, HR Specialist; Patricia Barrett, HR Manager; and Angela Abbott, Senior HR Analyst



The culture in DAS is one of customer service, efficiency, effectiveness, innovation and excellence. Within DAS, the diversity in services, customers, funding sources and models make our operations both challenging and exciting. It is a great opportunity to be involved in DAS financial matters

under Kim Hood's leadership and working with exceptional division directors who do all they can to provide best value services.

I am pleased to report that DAS operations were managed within available resources for fiscal year 2013 and accounted for in a responsible, appropriate manner.

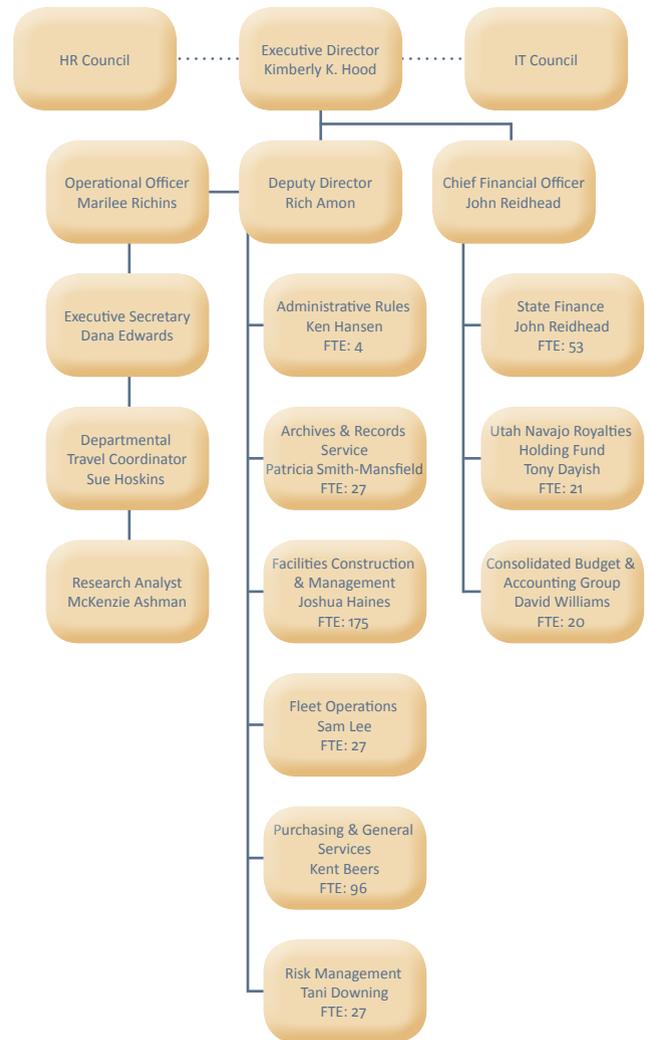
Reliable and timely financial information continues to be of utmost importance to DAS management as the Governor's SUCCESS initiative and other DAS efficiency initiatives are studied and moved forward in the face of reduced budgets and increasing workloads.

DAS continues to face fiscal challenges in many areas but is committed to keeping operations within available resources. For fiscal year 2015, DAS will be submitting a request for a one-time reallocation of funds to help address some of its priorities. These requests will be made in an effort to improve or extend services that we believe will benefit the State overall.

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

John Reidhead
Chief Financial Officer
Department of Administrative Services

DAS ORGANIZATIONAL CHART

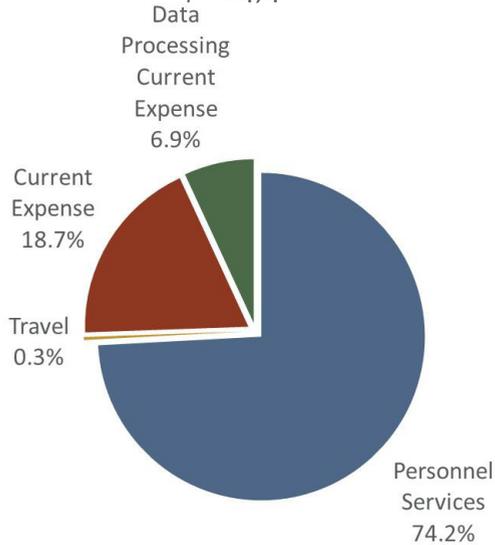


Employee Count:	487
FY 2013 Operating Budget:	\$ 25,387,700
FY 2013 Finance Mandated Budget:	\$ 38,632,600
FY 2013 ISF Operating Budget:	\$ 158,146,400
FY 2013 Capital Budget:	\$ 422,400,000

FISCAL YEAR ENDING JUNE 30, 2013 (UNAUDITED)

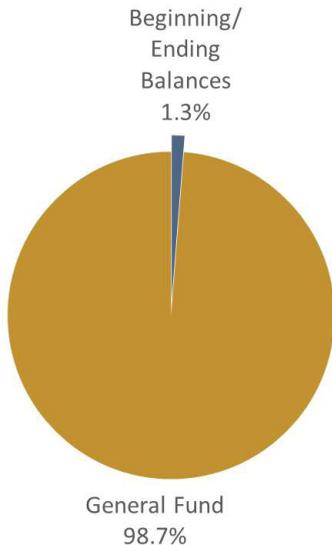
Executive Director's Office Expenditures

\$ 624,410



Executive Director's Office Revenues

\$ 624,410



5110 State Office Building
Salt Lake City, UT 84114
Phone: (801) 538-3764
www.rules.utah.gov



Administrative Rules
a division of the Department of Administrative Services

Utah.gov Services Agencies

UTAH DEPARTMENT OF ADMINISTRATIVE SERVICES
DIVISION OF ADMINISTRATIVE RULES

DAS HOME ARCHIVES FACILITIES FINANCE FLEET GENERAL SERVICES PURCHASES

RULES / PUBLICATION / UTAH ADMINISTRATIVE CODE

UTAH ADMINISTRATIVE CODE

Effective rules issued by agencies of the state of Utah
[[UAC Table of Contents](#) / [About the Code](#) / [E-mail Notification](#)]

EFFECTIVE DATE

The online version of the administrative code contains administrative rules in effect on:

November 1, 2013
A list of administrative rule filings that have been made effective, but not yet codified, is available for review.

UAC TABLE OF CONTENTS

- Administrative Services (Titles R13-R37)
- Agriculture and Food (Titles R51-R70)
- Alcoholic Beverage Control (Title R81)
- Attorney General (Title R105)
- Auditor (Title R123)
- Capitol Preservation Board (State) (Title R131)
- Career Service Review Office (Title R137)
- Commerce (Titles R151-R164)
- Corrections (Title R251)
- Crime Victim Reparations (Title R270)
- Education (Titles R277-R280)
- Environmental Quality (Titles R305-R317)
- Examiners (Board of) (Title R320)

RULES QUICK LINKS

- UNDERSTANDING ABOUT THE RULEMAKING PROCESS
- RESEARCHING RULES
- FILING RULES
- PUBLICATIONS

DIVISION EXECUTIVE TEAM



Ken Hansen, Sophia Manousakis, Nancy Lancaster, and Mike Broschinsky.

- ▶ Kenneth A. Hansen, Director
khansen@utah.gov (801) 538-3777
- ▶ Sophia Manousakis, Executive Secretary
smanousa@utah.gov (801) 538-3764

DIVISION DIRECTOR MESSAGE



Ken Hansen, Director

This year marks the 40th anniversary since the passage of Utah's first "Administrative Rule Making" act. This act established in law a consistent process for state agencies to follow when creating state regulations that affect the public.

Utah's attempt to standardize administrative procedures can be seen as part of a larger national trend that started with the 1936 passage of the Federal Register Act, the 1946 passage of the Federal Administrative Procedure Act, and the National Conference of Commissioners on Uniform State Laws' recommendation of its first model administrative procedure legislation in 1946. While these laws addressed agency rulemaking and adjudications, Utah's 1973 entry into this area of law only included provisions about rulemaking. A bill to address agency adjudications would not become law until 1988.

Prior to 1973, there was no central repository of administrative rules in Utah. Procedures for submitting public comment also varied. A citizen who wanted to know what the state regulated was required to visit each state agency to obtain copies of its rules.

Senators Karl N. Snow, Jr. (R), Dixie Leavitt (R), and Robert O. Bowen (D) sponsored S.B. 41 (1973) (Chapter 172, Laws of Utah 1973). This bill included many of the rulemaking components found in the 1961 Model State Administrative Procedure Act. It placed the central filing and publication functions in the Utah State Archives. It required publication of rulemaking proceedings in a bulletin. It "Afford[ed] all interested persons reasonable opportunity to participate in rulemaking by

submitting data, views, or arguments, either orally or in writing....” It also required publication of effective administrative rules.

Over the years, the statutes governing agency rulemaking have been amended and even recodified. Changes in the process have kept pace with the times. In 1992, the Division began implementing electronic filing of administrative rules — a process that was finalized in 1995 with the January 1, 1995, issue of the *Bulletin* being the first completely computer-generated issue. In 1994, the Division of Administrative Rules began posting administrative rule information online.

Even though elements of the process have changed as have methods of publication, the fundamental concepts have remained the same — centralized filing and publication of proposed administrative rules, providing an opportunity for public participation, and access to effective administrative rules. The Division of Administrative Rules enables citizen participation in their own government by supporting agency rulemaking and ensuring agency compliance with the Utah Administrative Rulemaking Act.



Sophia Manousakis, Rich Amon, Nancy Lancaster, Lt. Governor Greg Bell, Ken Hansen, and Mike Brochinsky

FY 2013 DIVISION HIGHLIGHTS

Colborn Innovation Award — The National Association of Secretaries of State Administrative Codes and Registers Section awarded the Division of Administrative Rules the *Robert J. Colborn Innovation Award* for Utah’s eRules application. This application allows state rulemaking agencies to file administrative rules at any time from any location with a computer and an Internet connection, and is used by the Division to produce the *Utah State Bulletin* — the public notice document for state administrative rules. eRules facilitates electronic publication and distribution of rulemaking information to the citizens of Utah.



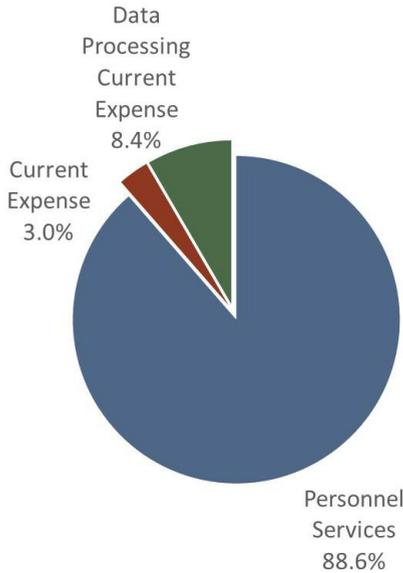
Scott Cancelosi, President of the Administratives Codes and Registers, presents the 2013 Robert J. Colborn Jr. Innovation Award to Director Ken Hansen in recognition of the Division of Administrative Rules’ eRules system.

State Bulletin — For the 20th year in a row, the Division published 24 issues of the Utah State Bulletin on schedule.

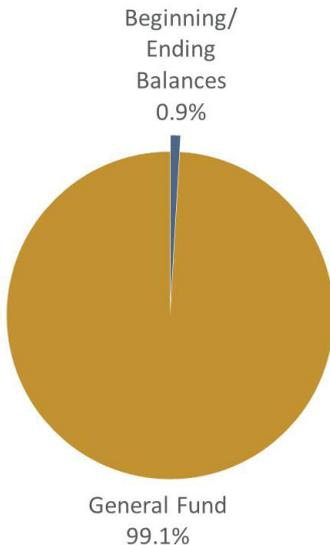
Rulemaking Actions — The Division processed 1,422 rule filings during FY 2013. Of these, 39 percent, or 549, of the rule filings were submitted to comply with statutory review requirements.

FISCAL YEAR ENDING JUNE 30, 2013 (UNAUDITED)

Administrative Rules Expenditures \$ 372,220



Administrative Rules Revenues \$ 372,220



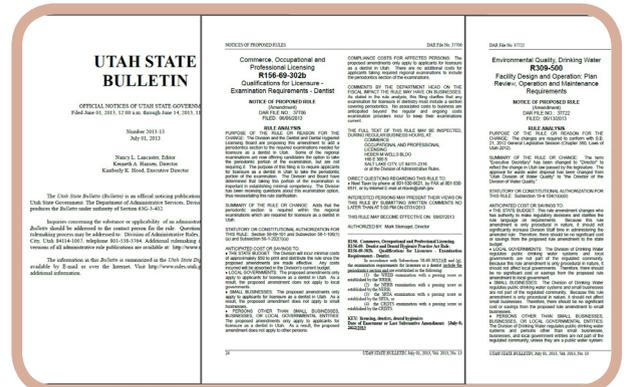
SERVICES AND FUNCTIONS

Rule filing/document filing (submitted for FY 2013 publishing cycles)

- ▶ Administrative rule filings - agencies submitted 1,422 rule filings using the eRules application (accessible to authorized individuals at <http://erules.rules.utah.gov/>)
- ▶ Executive document filing - the Governor's Office submitted 15 executive orders and proclamations
- ▶ Public notices - agencies submitted 38 public notices using the eRules application

Publication of rules, and other executive branch notices

- ▶ Proposed and emergency administrative rule publication
<http://www.rules.utah.gov/publicat/bulletin.htm>
- ▶ Effective administrative rules
<http://www.rules.utah.gov/publicat/code.htm>
- ▶ Index of changes
<http://www.rules.utah.gov/publicat/rulesindex.htm>



July 1, 2013 Bulletin.

- ▶ Executive document publication
<http://www.rules.utah.gov/executivedocuments.htm>
- ▶ Other administrative agency material
<http://www.rules.utah.gov/publicat/bulletin.htm>

Maintenance of the Utah Administrative Code

- ▶ Utah Administrative Code
<http://www.rules.utah.gov/publicat/code.htm>
- ▶ Monthly updates to the Code
<http://www.rules.utah.gov/publicat/codeudt.htm>

Rulemaking assistance to agencies

- ▶ Training – provided rulemaking training to 43 agency rulewriters during three different sessions
- ▶ Rulewriting Manual for Utah
<http://www.rules.utah.gov/agencyresources/manual.htm>

Procedural review of rules

- ▶ Procedural review of rule analyses and other rule forms – reviewed 1,422 rule filings and identified 150 issues in 135 rule filings related to the information provided on the required forms. These issues were resolved prior to publication
- ▶ Procedural review of rule text – reviewed 1,422 rule filings and identified 57 text issues in 51 rule filings. These issues were resolved prior to publication

Agency notification of deadlines and events

- ▶ Notices of rules due for review – notified agencies of 257 rules due for five-year review
- ▶ Lapsing notices – notified agencies of 38 rules that were about to lapse

DAS STATEWIDE CUSTOMER SERVICES SUMMARY FOR FY 2013



Services Provided

Services Provided	Total
RULE FILING/DOCUMENT FILING	
Administrative rule filing and agency public notice	
Rule filings submitted	1,422
Five-year expiration for noncompliance (63G-3-305)	5
Legislative nonreauthorization (S.B. 31 (2010))	1
Executive document filing	
Governor's executive documents submitted for publication	15
Application performance	
State agency public notices submitted for publication	38
PUBLICATIONS OF RULES, & OTHER EXECUTIVE BRANCH NOTICES	
Utah State Bulletin	
Percentage of complete filings published on time	100%
Publication errors made by the division	5
MAINTENANCE OF UTAH ADMINISTRATIVE CODE	
Administrative code repository	
Rules in July 1 code	2,010
Volume of rules in July 1 code (in kilobytes)	30,262
Codification of Rules	
Codification errors made by the division	2
RULE MAKING ASSISTANCE TO AGENCIES	
Training	
Number of staff attending rules training	43
Cumulative hours trained	161
PROCEDURAL REVIEW OF RULES	
Resolution of issues	
Filings with issues resolved prior to publication	174
Filings with issues as % of total filings	12%
Total number of issues identified and resolved	207
Timely review of rules	
Average number of days to review filings	12
AGENCY NOTIFICATION OF DEADLINES AND EVENTS	
Notice of rules due for five-year review	
Number of rules for which the statutorily required notice was sent	257
Percentage of rules for which statutorily required notice was sent by the statutory deadline	100%
Number of rules due for five-year review for which a 2nd courtesy reminder was sent	234
Notice of rules about to lapse	
Number of rules for which notice of rules about to lapse was sent	38

Administrative Offices:

346 South Rio Grande
Salt Lake City, UT 84101-1106
Mon - Fri 8:00am - 5:00pm
Phone: (801) 531-3848
Fax: (801) 531-3867
www.archives.utah.gov



Archives & Records Service
a division of the Department of Administrative Services



Research Center:

346 South Rio Grande
Salt Lake City, UT 84101-1106
Mon - Fri 9:00am - 4:00pm
Phone: (801) 533-3535
Fax: (801) 533-3504

Records Center:

Government agency access only (not public)

Building C-6
5th Street & C Street
Clearfield, UT

Mailing Address:
PO Box 141029
Salt Lake City, UT 84114

Mon - Fri 8:00am - 5:00pm
Phone: (801) 531-3848
Fax: (801) 531-3867

DIVISION EXECUTIVE TEAM



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

- ▶ Patricia Smith-Mansfield, Director
p mansfie@utah.gov (801) 531-3850
- ▶ Ken Williams, Deputy Director
kenwilliams@utah.gov (801) 531-3840
- ▶ John Koerner, Administrative Services Manager
jkoerner@utah.gov (801) 531-3865
- ▶ Rosemary Cundiff, Records Ombudsman
rcundiff@utah.gov (801) 531-3858

DIVISION DIRECTOR MESSAGE



The State Archives' mission is to "assist Utah government agencies in the efficient management of their records, to preserve those records of enduring value, and to provide quality access to public information."

Patricia Smith-Mansfield, Director

This year, the State Archives is proud to announce that there are now one million items—including documents, photographs, registers, finding aids, legislative working papers, and birth and death certificates—in the State Archives' Digital Archives. We could not have done it without dedicated staff and volunteers, and private partners like FamilySearch, which have digitized an additional million pages not yet available online.

The State Archives' digital collections continue to be one of our most popular services, with over 3,127,000 visits in the year.

One of the most interesting collections added to the Digital Archives is the "Book of Pioneers," "a record of those who arrived in the Valley of the Great Salt Lake during the year 1847." This two-volume book memorializes the first pioneers of Utah, and was compiled by the Utah Semi-Centennial Commission (1897) for the Pioneer Jubilee of 1897, the 50-year anniversary of the pioneers' arrival to the valley.

The work of the State Archives continues to stand at the center of transparency and accountability



An engraving of Wilford Woodruff, Book of the Pioneer, volume 2.

in government. Utah citizens are engaged in open government and insist on transparency and access to the State's records. During the 2012 General Legislative Session, the legislature created a government Records Ombudsman, a person familiar with the provisions of the Government Records Access and Management Act (GRAMA), to serve as a resource for citizens seeking government records and information. At the completion of a full year of service, the Ombudsman provided 1,100 consultations. Of 585 consultations with records requesters, 441 were members of the public, 103 were representatives of the media, and 41 individuals represented special interests. Of 515 consultations with records responders, 214 were employees of state government and 301 were employees of local governments. These services increase government efficiency by reducing the number of hearings that go before the State Records Committee and promote "goodwill" between government agencies (records creators) and those requesting information (citizens).

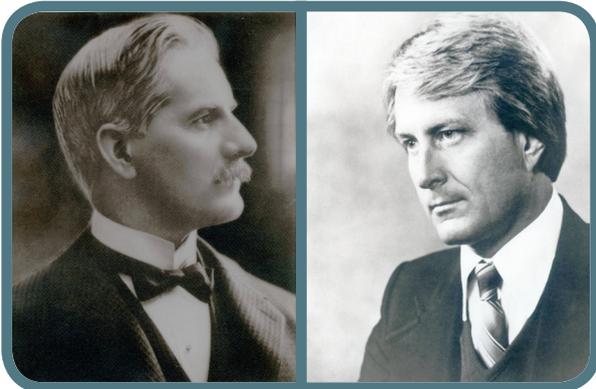


Rosemary Cundiff, Utah Government Records Ombudsman, with a commendation letter from Governor Herbert.

In 2013, records officers were required to take an annual records officer training and complete certification. This training prepares records officers to work with the State Archives to care, maintain, schedule, dispose, classify, and preserve the state's records. To date, 509 records officers are certified.

FY 2013 DIVISION HIGHLIGHTS

- ▶ The Archives completed a local government cemetery records project, funded in part by a grant from the National Historical Publications and Records Commission (NHPRC).
- ▶ The Digital Archives had over 3,127,874 patron accesses. The Archives digitized 88,180 records and reached a milestone of one million images online.



Series 27746 contains portrait photographs of various Ogden City Mayors. The series was added to the Utah State Digital Archives this past year. **Left:** Mayor David Eccles (1887-1888); **Right:** Mayor A. Stephen Dirks (1973-1983)

- ▶ The Archives joined the National Historic Probate Project, a joint effort by FamilySearch, Ancestry.com, state and local courts, and state archives throughout the United States. This project will improve access to historic probate documents—records critical to family history research. These records will be digitized and made searchable online.
- ▶ In partnership with five Utah repositories, the Archives is participating in ILEAD, a grant from the Institute of Museums and Libraries. The team will develop new technology to bring together collections that highlight the history along Utah's Highway 89 and present those collections through tools created as part of the ILEAD experience.

- ▶ The Utah State Historical Records Advisory Board awarded sixteen preservation grants to local repositories for a total of \$9,974. Funding for the re-grant program comes from a National Historical Publications and Records Commission grant.
- ▶ The Archives supports the State Records Committee. The Committee heard 17 appeal hearings out of 123 requests for hearings.
- ▶ The Archives trained state and local government employees at 43 training events, and 59 agency visits and logged 5,793 telephone or email contacts—totaling 7,561 consultations. Additionally, 509 state and local government records officers and officials have been certified.
- ▶ The Archives' partnership with Utah's counties in the preservation of official records continues with the production of 319 microfilm rolls. In addition, the Archives microfilmed 312 rolls of historical local government records and digitized over 863,000 images from microformats for patron use and governmental entities. In total, the Archives reformatted 1,746,469 record images in FY2013 for preservation and access.
- ▶ Volunteers contributed 5,896 hours to the acquisition, processing, describing, and providing access to essential records in the Archives' custody.

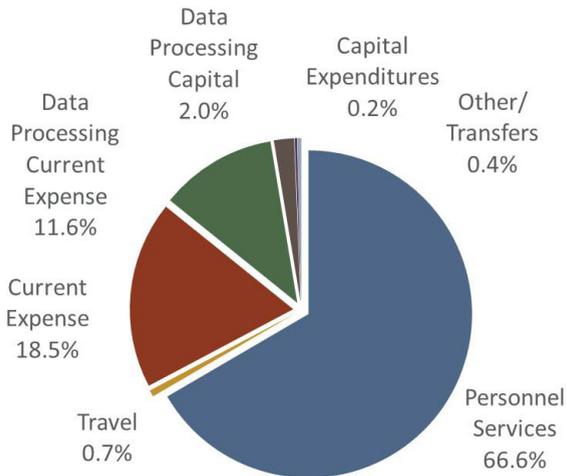
- ▶ The State Records Center transferred 1,744 cubic feet of records from the Fourth District Court, allowing them to close their storage facility and gain increased intellectual control of their records. The records center, which stores over 120,000 cubic feet of governmental entity records, had its official dedication in November.



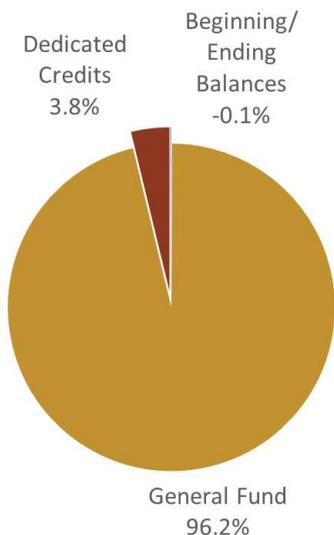
Brett Montgomery provides a tour of the State Records Center at its Open House.

FISCAL YEAR ENDING JUNE 30, 2013 (UNAUDITED)

Archives and Records Service Expenditures \$ 2,218,003



Archives and Records Service Revenues \$ 2,218,003



SERVICES AND FUNCTIONS

Records Management Services

- ▶ Provides consulting services and surveys to state and local government agencies in records management and establishes guidelines and standards.
<http://archives.utah.gov/recordsmanagement/index.html>
- ▶ Provides online training and annual certification to state and local government records officers and other officials.
<http://archives.utah.gov/recordsmanagement/training.html>
- ▶ Maintains an online list of governmental entities' records officers, their contact information, and certification status.
<http://archives.utah.gov/opengovernment/aro-reports.html>
- ▶ Maintains general and agency-specific record retention schedules.
<http://archives.utah.gov/recordsmanagement/retention-schedule-menu.html>
- ▶ Provides training on the Government Records Access and Management Act (GRAMA) and records management.
<http://archives.utah.gov/recordsmanagement/index.html>
- ▶ Provides staff support and services to the State Records Committee.
<http://archives.utah.gov/src/src-members.html>
<http://archives.utah.gov/recordsmanagement/index.html>
- ▶ Stores and retrieves inactive records for governmental entities. Properly destroys obsolete records according to legal retention periods.
<http://archives.utah.gov/recordsmanagement/index.html>

Records Ombudsman

- ▶ Assists public and agencies with GRAMA issues and mediates disputes—information, requests, appeals, and classification.
<http://archives.utah.gov/recordsmanagement/forms/ombudsman.html>

Archives Services and Public Access

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

Public Outreach

- ▶ Provides outreach, training, research workshops, papers, and presentations on archival preservation, access, and topics of historical significance.
<http://archives.utah.gov/USHRAB/index.html>
<http://archives.utah.gov/archivesmonth/index.html>
- ▶ Provides support for the network of approved regional repositories and assistance to local repositories.
<http://archives.utah.gov/USHRAB/index.html>
<http://archives.utah.gov/archivistresources.html>

- ▶ Maintains public records and manages grant program.
<http://archives.utah.gov/USHRAB/index.html>



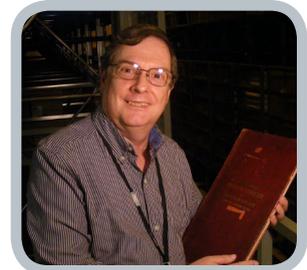
Left: Allen Guglielomotto, archival technician, microfilming historic records. **Right:** Melody Yearsley, archival technician, operating the diazo film duplicator.

Preservation Services

- ▶ Operates a microphotography imaging center. Reformats records to preserve permanent records.
<http://archives.utah.gov/recordsmanagement/index.html>
- ▶ Establishes and maintains standards of quality control and assists agencies in microfilming/digital programs. Provides access to microfilmed records.
<http://archives.utah.gov/recordsmanagement/index.html>

Public Notice and Assistance

- ▶ Administers the Utah Public Meeting Notice Website and provides training. Maintains and provides access to all governmental entities' public meeting and hearing notices, minutes, and agenda.
<http://www.utah.gov/pmn/index.html>
<http://archives.utah.gov/public-notice>



Glen Fairclough, Utah Public Notice Website administrator.

BOARDS AND COMMITTEES

- ▶ State Records Committee
- ▶ The Utah State Historical Records Advisory Board

GRANTS COMPLETED IN FY 2013

National Historical Publications and Records Commission Grant, \$34,000, for support of the Utah State Historical Records Advisory Board, to provide training and development to local repository staff and volunteers at regional repositories, and to preserve cemetery records.

DAS STATEWIDE CUSTOMER SERVICES SUMMARY FOR FY 2013



Services Provided

	Total
RECORDS MANAGEMENT	
Agency consultations/trainings	5,361
Records Officers certified	509
Records retention schedules	27,321
Records participation (blog views)	11,117
RECORDS STORAGE	
Volume of Records	124,154
Accession of Records (monthly accessions)	12,483
Retrieval of Inactive Records (monthly pulls)	7,394
Destruction of Obsolete Records	7,779
ACCESS OF ESSENTIAL RECORDS	
Patron Research Center assistance	9,571
Public research on digital archives	3,127,874
Public use of Public Notice website	107,819
Patron participation (blog views)	4,687
PRESERVATION OF RECORDS	
Historical Records volume	38,594
Historical Records on microfilm	117,182
Consultations/trainings	333
REFORMATTING	
Reformatting	1,746,469
PUBLIC NOTICES	
Public bodies	3,011
Public notices	23,740
STATE RECORDS COMMITTEE	
Appeals heard	17
Appeals denied	3
Appeals requested	123
RECORDS OMBUDSMAN	
Records Assistance	1,100
Mediation	21

4110 State Office Building
Salt Lake City, UT 84114
Phone: (801) 538-3018
Fax: (801) 538-3267
www.dfcu.utah.gov



Facilities Construction & Management

a division of the Department of Administrative Services



DIVISION EXECUTIVE TEAM



Joshua Haines, Darrell Hunting, Jake Jacobson, Jim Russell, and Bruce Whittington

- ▶ Joshua Haines, Director
jhaines@utah.gov (801) 538-3261
- ▶ Bruce Whittington, Deputy Director
bwhittington@utah.gov (801) 538-3547
- ▶ Jim Russell, Construction Program Manager
jimrussell@utah.gov (801) 231-3489
- ▶ Jake Jacobson, Facilities Management Program Manager
jjacobson@utah.gov (801) 538-3303
- ▶ John Harrington, Energy Program Manager
jharrington@utah.gov (801) 652-2888
- ▶ Jeff Reddoor, State Building Board Manager
jreddoor@utah.gov (801) 971-9830
- ▶ Cee Cee Niederhauser, Administrative Assistant
cniederhauser@utah.gov (801) 538-3261

DIVISION DIRECTOR MESSAGE



Joshua Haines, Director

The Division of Facilities Construction and Management (DFCM) manages all state owned and occupied facilities. Responsibilities encompass all phases of construction, maintenance, leasing, and energy services. DFCM oversees all non-higher education and non-judicial

branch leases as well as managing the allocation of state owned space. In Fiscal Year 2013, DFCM managed over \$400 million in new construction and improvement projects throughout the state and in so doing remains committed to maintaining exceptional services to our clients. In addition, DFCM manages the day to day operation and maintenance of over 165 buildings and 6.5 million square feet of space which house state agencies, local governments and educational entities across the state. Another responsibility is to support the Utah State Building Board in developing its recommendations for Capital Development projects and allocating Capital Improvement funds.

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

To help agencies meet the Governor's energy conservation goals and maintain fiscal responsibility, DFCM provides energy reduction assistance. DFCM's Energy Group provides assistance to agencies and manages the State's Revolving Loan Fund which supplies low cost loans

for energy projects throughout the state. We have had phenomenal success with this program and have saved Utah millions of dollars annually and helped cut emissions produced by State facilities dramatically. Our new buildings meet or exceed LEED Silver requirements. This same program is designed to extend the life cycle of our buildings to further save the State funds throughout the years.



The DFCM Energy Group

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

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

FY 2013 DIVISION HIGHLIGHTS

- ▶ Kimberly K. Hood appointed P. Joshua Haines as the new DFCM Director with the approval of Governor Herbert.
- ▶ 40 buildings managed by DFCM were verified as exceeding the national energy star label rating standard.



USU is seeking LEED Gold Certification for the USTAR BiInnovations Center. Construction was completed in FY 2011.

- ▶ DFCM has 21 facilities with LEED silver standard or higher.
- ▶ Project Manager Rick James awarded the Project Manager of the Year from Associated General Contractors
- ▶ DFCM's average operation and maintenance costs were significantly below the local average and are currently 45% below the national average (published by BOMA).
- ▶ DFCM's Energy Group is pursuing a cooperative solar park installation on state land that will benefit several participating institutions in on-going energy savings.



DFCM Capitol maintenance staff

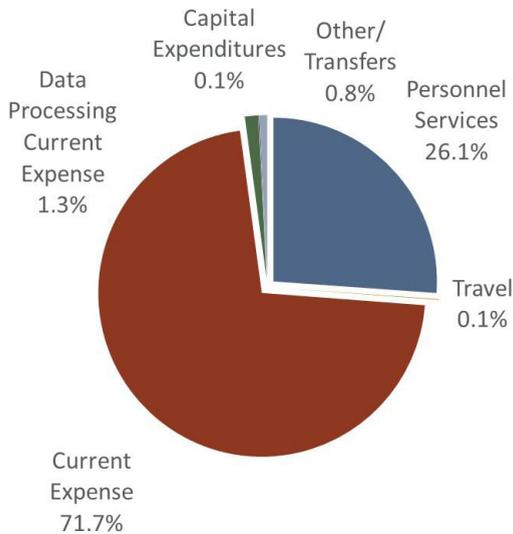
- ▶ New Health Systems Improvement Lease, Salt Lake City. This program is modernizing the entire federal Medicare/Medicaid program in the State.
- ▶ Purchase of the Sevier County Courthouse.
- ▶ DFCM's Real Estate Section reduced the State's largest lease housing the Office of Recovery Services, saving the State over \$500,000/year.
- ▶ DFCM Facility Coordinators were sworn in as Special Deputy State Fire Marshals by the Utah State Fire Marshal's Office.
- ▶ Fred Christensen appointed as a member of the Utah State Uniform Building Code Commission.
- ▶ Multi-stage transaction selling the old auto-diesel mechanic school and acquiring adjacent land on behalf of the Mountainland Applied Technology College.
- ▶ DFCM continues to refine our Building Envelope standard and application, which is resulting in significant reductions in energy consumption on newly constructed buildings.



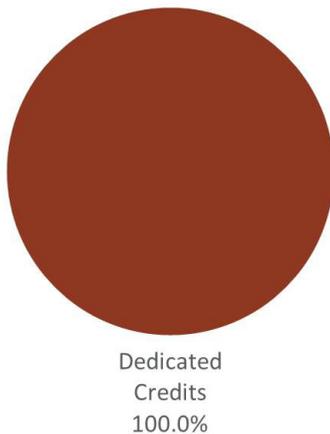
The ribbon cutting for Weber State University's newest student housing, Wildcat Village, was August 14, 2012. Every building in the development was built to be a candidate for LEED Silver Certification.

FISCAL YEAR ENDING JUNE 30, 2013
(UNAUDITED)

DFCM ISF Expenditures
\$ 29,477,894

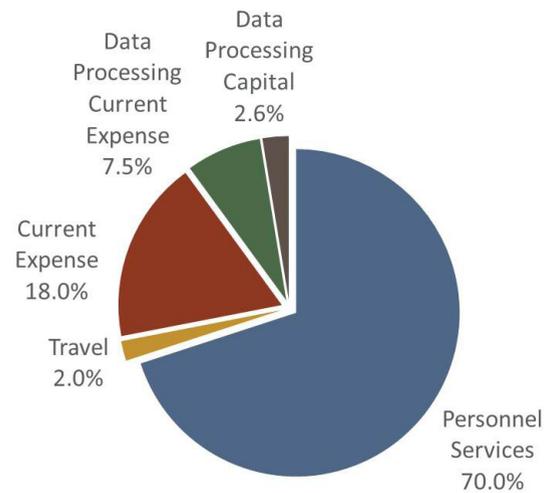


DFCM ISF Revenues
\$ 28,044,498

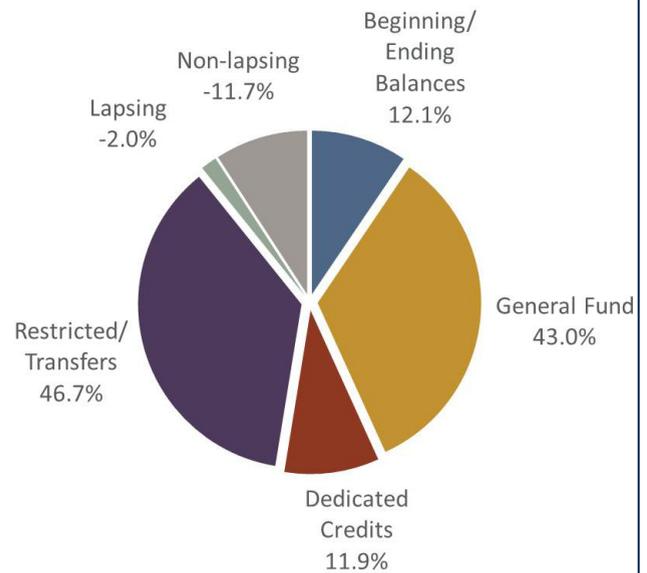


FISCAL YEAR ENDING JUNE 30, 2013
(UNAUDITED)

DFCM Administration Expenditures
\$ 5,190,741

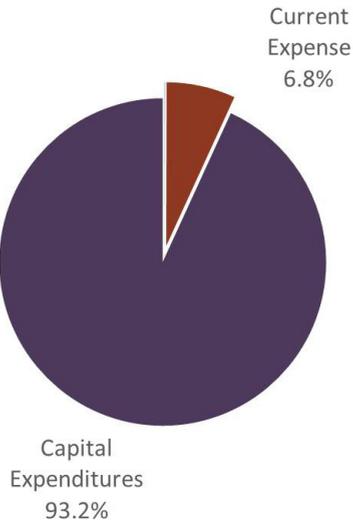


DFCM Administration Revenues
\$ 5,190,741

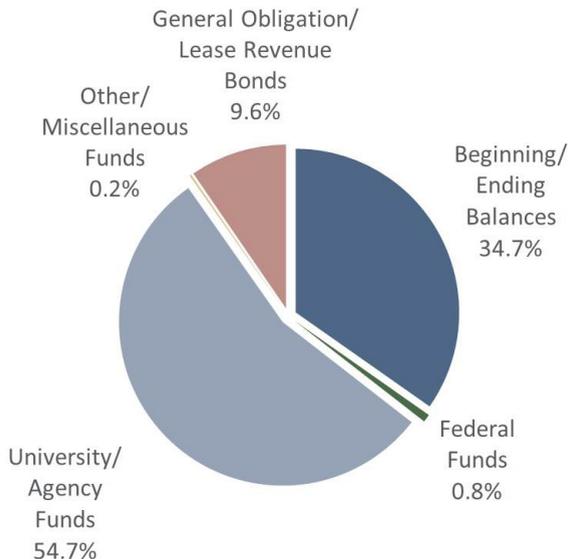


FISCAL YEAR ENDING JUNE 30, 2013 (UNAUDITED)

DFCM Capital Projects Expenditures \$ 432,175,000



DFCM Capital Projects Revenues \$ 432,175,000



SERVICES AND FUNCTIONS

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

<http://dfcm.utah.gov/dfcm/construction-management.html>



The USU Regional Campus Distance Education Building was completed at the beginning of FY 2013.

The Facilities Management section of DFCM provides building maintenance and management services to state agency subscribers. Services are currently provided to 163 individual programs

throughout the state occupying over 6.8 million square feet of space. This program operates as an Internal Service Fund, with services being provided through operating and maintenance agreements. Each agreement is tailored specific to the location, in both cost per square foot and services provided, to meet the needs of the tenant agency. Each agreement is reviewed annually and adjusted as needed.



DFCM Downtown Complex.

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

- ▶ **FACILITIES MANAGEMENT** oversees the maintenance efforts of both state owned and leased buildings by providing skilled maintenance and grounds staff, offset by management of specialty service contracts as needed.
- ▶ **ENERGY MANAGEMENT** provides conservation measures and expertise to ensure managed facilities are operating efficiently.
- ▶ **ELECTRONIC RESOURCE GROUP** provides full support and maintenance for the various building and security automation systems in our managed buildings.
- ▶ **CENTRAL SUPPORT SERVICES** provides the internal contracting and accounting functions required to support the facilities management operation.

<http://dfcm.utah.gov/dfcm/facilities-management.html>

The Real Estate group of DFCM manages and negotiates all real property leases for most state agencies and institutions. Through the Real Estate Group, DFCM manages about \$24 million of state agency budgets appropriated for rent. This group manages the construction of build-to-suit lease projects, real property acquisitions, sales, rights of way, easements, lease and general obligation bonds, and all other real property related issues.

Over the past calendar year, the Real Estate Group of DFCM has completed over \$32.5 million in new leases and lease renewals and \$5.6 million in real property sales and acquisitions. This is in addition to the ongoing lease management, right-of-way work, and all other real estate projects handled routinely by the Real Estate Group. An ongoing initiative is the consolidation of leased space into much less expensive State-owned space where possible, which not only brings significant ongoing cost savings but also utilizes State-owned space that would otherwise go vacant.

<http://dfcm.utah.gov/dfcm/real-estate.html>

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

- ▶ High Performance Building Standard for Capital Development Projects
- ▶ Energy Efficiency in Capital Improvement Projects where Cost Effective over the Life Cycle
- ▶ Building Systems Commissioning
- ▶ Building Envelope Commissioning

- ▶ Energy Efficiency Incentives Programs for New and Existing Buildings
- ▶ Renewable Energy Projects
- ▶ State Facility Energy Efficiency Loan Fund Projects
- ▶ Energy Retrofits to Optimize Energy Efficiency in Existing Buildings
- ▶ Energy Saving Performance Contracts

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

<http://dfcm.utah.gov/dfcm/energy-efficiency-program.html>

BOARDS AND COMMITTEES

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

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

DAS STATEWIDE CUSTOMER SERVICES SUMMARY FOR FY 2013



Services Provided

REAL ESTATE CURRENT LEASES

Office Space

Total number of leases	230
Total square feet	1,282,274
Total annual rent	\$ 18,334,138
Average cost per square foot	\$ 14.30

Non-office Space

Total number of leases	102
Total square feet	12,613,452
Total annual rent	\$ 2,043,350
Average cost per square foot	\$ 0.16

OPERATIONS AND FACILITIES MAINTENANCE

Office Space

Total number of operations & maintenance agreements	86
Total square feet	2,399,017
Total annual rent	\$ 11,268,359
Average cost per square foot	\$ 4.70

Non-office Space

Total number of operations & maintenance agreements	104
Total square feet	3,882,862
Total annual rent	\$ 15,473,394
Average cost per square foot	\$ 3.99

Total

2110 State Office Building
Salt Lake City, UT 84114
Phone: (801) 538-3082
Fax: (801) 538-3244
www.finance.utah.gov



Finance

a division of the Department of Administrative Services



Comprehensive Annual Financial Report

**FINET
Help Desk**

DIVISION EXECUTIVE TEAM



David Williams, Jerry Gearheart, Barbara Sutherland, Brenda Lee, Marcie Handy, Rick Beckstead, Wayne Frewin, Mark Austin, and John Reidhead

- ▶ John Reidhead, Director
jreidhead@utah.gov (801) 538-3095
- ▶ Brenda Lee, Assistant Director
brendalee@utah.gov (801) 538-3102
- ▶ Rick Beckstead, Accounting Operations Manager
rbeckstead@utah.gov (801) 538-3100
- ▶ Marcie Handy, Assistant Comptroller
mhandy@utah.gov (801) 538-1678
- ▶ Jerry Gearheart, Financial Information Systems Manager
jgearheart@utah.gov (801) 538-1023
- ▶ Mark Austin, State Payroll Coordinator
maustin@utah.gov (801) 538-3023
- ▶ Dave Williams, CBA Director
ddwilliams@utah.gov (801) 538-3293
- ▶ Sam Howlett (DTS), IT Manager
showlett@utah.gov (801) 538-3033
- ▶ Barbara Sutherland, Administrative Secretary
bsutherland@utah.gov (801) 538-3020

DIVISION DIRECTOR MESSAGE



John Reidhead, Director

The Division of Finance serves Utah citizens and state agencies with fiscal leadership and quality financial systems, processes, and information. This includes maintaining the State's central accounting and payroll systems; ensuring compliance with

state financial laws; providing a statewide data warehouse of financial information; producing the State's official financial statements; processing the State's payments to vendors and employees; operating the Office of State Debt Collection; maintaining the State's financial transparency website; and operating the DAS' consolidated budget and accounting group.

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

Fiscal Year 2013 has been a year of progress mixed with challenges as we continued to strive to improve the efficiency and effectiveness of our operations. Some of our successes this past year were:

Office of State Debt Collection (OSDC) – New initiatives, such as our Wage-Match program in conjunction with the Department of Workforce Services, are helping us locate more debtors and increase overall collections. This was the best year OSDC has had for collections. FY 2013 collections, combined with collections from prior years,

enabled OSDC to transfer \$500,000 to the general fund that was collected in fees and interest over and above operational expenses.

Vendor credit card payments – Completed the first year of this program with US Bank which provides vendors the option to be paid by credit card for their convenience. In addition to lowering processing costs, we expect significant growth in revenue via rebates in Fiscal Year 2014.

Data Security – In conjunction with the Department of Technology Services, Finance performed detailed risk assessments on its major systems and continued to take action to strengthen controls over data security. These efforts will be ongoing and will include our non-major systems in the future.

During Fiscal Year 2014, we plan to implement the new FINDER system for administrative offset collections and implement a travel module in the payroll system. These two projects experienced challenges and delays in fiscal year 2013 due to technical difficulties. In addition, we will continue to focus on improving data security; expanding the statewide internal control program; and implementing an automated payables system for the State.

FY 2013 DIVISION HIGHLIGHTS

- ▶ Utah's Annual Comprehensive Financial Report (CAFR) – Reduced the time it takes to produce the Comprehensive Annual Finance Report (CAFR) from 120 days to 111 days. This was the fastest among states in FY2012. The average among states was 198 days.
- ▶ National Awards – Utah earned the Certificate of Achievement of Excellence in Financial Reporting from the Governmental Finance Officers Association for the 28th consecutive year.



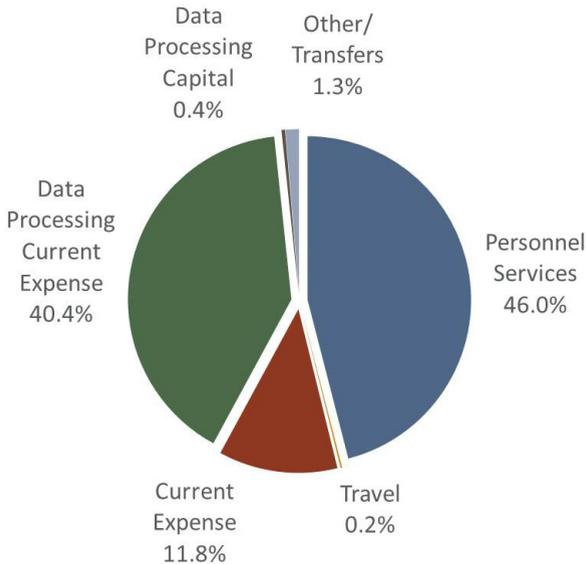
Governor Gary Herbert recognizes the CAFR group for Excellence in Financial Reporting.

- ▶ Internal Control Program – Completed the first full year of a statewide Internal Control Self-Assessment Plan to help agencies evaluate and strengthen their internal controls.
- ▶ FINDER – Collected \$14.79 million in debts through the FINDER system, including \$1.14 million owed to the IRS.
- ▶ Collections – Collected \$6.2 million (\$2.38 million collected through FINDER) in receivables, fees, and interest through the Office of State Debt Collection (OSDC) that would otherwise have been written off.
- ▶ FINET Productivity – Processed 1,706,979 documents in FINET and handled 6,746 calls through the Help Desk.

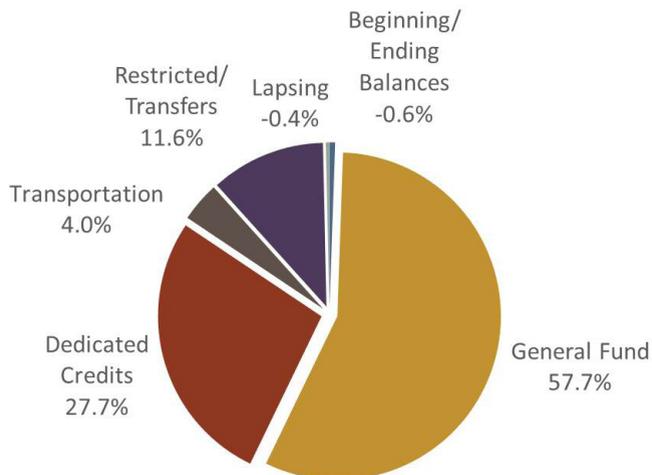
- ▶ Card-Based Vendor Payments – Completed the first year of a card-based vendor payment program with U.S. Bank that helps increase efficiency and generated \$174,000 of income to the State through rebates.
- ▶ P-card Rebates – Issued \$122,199 in rebates on p-card purchases to state agencies and \$27,773 to participating local governments.
- ▶ Leadership – Brenda Lee, Deputy Director, Division of Finance, Past President 2013-2014 Northern Utah Association of Government Accountants (NUAGA). Richard Beckstead, Accounting Operations Manager, Division of Finance, Treasurer 2013-2014 National Conference of State Social Security Administrators. John C. Reidhead, Director, Division of Finance, Secretary/Treasurer 2013-2014 National Association of State Comptrollers (NASC).

FISCAL YEAR ENDING IN JUNE 30, 2013 (UNAUDITED)

Finance* Expenditures \$ 10,853,500



Finance* Revenues \$ 11,251,200



* Includes OSDC, JCC, and Post Conviction; excludes Mandated

SERVICES AND FUNCTIONS

Accounting Operations/Disbursements –

Manages the statewide Internal Control Self-Assessment Program which is designed to help agencies evaluate and improve their internal controls. Audits travel and payment vouchers. Manages over 97,000 vendors in the FINET accounting system. Processes and submits 1099 reportable income information to the IRS each calendar year end. Processes tax refund payments and the mailing and distribution of all centrally processed payments made from state funds. Administers the FINDER program which matches tax refunds and vendor payments with outstanding receivables due to the State. Those receivables include tax bills, child support, student loans, court fines, and unemployment insurance. Manages the State's Purchasing Card (P-card) program for state agencies and participating local governments.

www.finance.utah.gov/accounting.html



Cindy Antonsen and Cynthia Bowers disbursing payments.

Office of State Debt Collection (OSDC) –

Collects and manages state receivables, develops consistent policies, procedures and guidelines for accounting, reporting, collecting and writing-off monies owed to the state. Prepares annual reports of the State's receivables. Oversees and monitors state agencies' receivable programs to ensure that state agencies follow established policies and procedures and collection of accounts receivable is efficient.

www.finance.utah.gov/debthome.html

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

www.finance.utah.gov/reportinghome.html

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

www.finance.utah.gov/fis.html



Stephanie Burnham records the audio for the new FINDER system training.

Payroll – Maintains and operates the statewide payroll system, including the payroll self-service portal (ESS). Produces and processes employee pay, benefits, and deduction data such as regular wages, other pay, overtime, insurance, retirement, salary deferrals, charitable fund contributions, etc.

www.finance.utah.gov/payrollhome.html

CONSOLIDATED BUDGET AND ACCOUNTING (CBA)



David Williams, Director

As recommended by Governor Herbert’s Optimization Commission, the CBA group was formed in May 2011 to perform the budget and accounting services for the entire department in a centralized unit. This group was organized to take advantage of

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

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

Fiscal Year 2013 was the CBA’s first year funded as an Internal Service Fund. The CBA finished FY’2013 with a positive retained earnings balance. For FY’2014, the Office of Inspector General of Medicaid Services will be added as a new DAS program with the budget and accounting to be done by the CBA. We look forward to serving the budget and accounting needs of the DAS, and gaining even more efficiencies for our customers.

DAS STATEWIDE CUSTOMER SERVICES SUMMARY FOR FY 2013



Services Provided

Total

ACCOUNTING OPERATIONS

FINDER Intercepts	53,425
FINDER Intercept collections	\$14,792,909
Post-audited payments	6,829
Post-audit findings	243
P-card transactions	114,663
P-card dollars spent (state-managed cards only)	\$ 25,054,049

FINANCIAL INFORMATION SYSTEMS

Interfaces processed	10,748
FINET documents processed via interface	719,862
FINET documents processed total	1,706,979
Accounting lines processed in FINET	9,778,091
Help Desk Calls	6,746
Students attending training	396

PAYROLL

Active employees on SAP	28,974
Employees with access to ESS time entry	17,566
Number of off-cycle checks	357

OFFICE OF STATE DEBT COLLECTION

Accounts placed for collection	24,825
Value of accounts placed for collection	\$ 53,186,179
Number of payments received	34,984
Payments received	\$ 6,225,724

FINANCIAL REPORTING

Number of loans serviced	2,279
Services loans principle balance	\$ 1,236,980,433

4120 State Office Building
Salt Lake City, UT 84114
Phone: (801) 538-3014
Fax: (801) 538-1773
www.fleet.utah.gov



Fleet Operations
a division of the Department of Administrative Services



DIVISION EXECUTIVE TEAM



Scott Bingham, Sam Lee, Jeff Done, Tami Nelson, and Gary Robertson

- ▶ Sam, Lee, Director
samlee@utah.gov (801) 538-9675
- ▶ Gary Robertson, Deputy Director
garyrobertson@utah.gov (801) 538-3792
- ▶ Scott Bingham, Fleet Manager
swbingham@utah.gov (801) 538-9134
- ▶ Jeff Done, Fuel Network Manager
jeffdone@utah.gov (801) 538-3695
- ▶ Tami Nelson, State Travel Manager
taminelson@utah.gov (801) 538-3109

DIVISION DIRECTOR MESSAGE



Sam Lee, Director

The Division of Fleet Operations (DFO) provides fleet, fuel, and business travel services to state agencies and local governments in the State of Utah. FY2013 was another productive year for the Division as each program made strides to serve its customers

through more efficient and cost effective strategies. The following summarizes the primary programs in the Division and highlights accomplishments made during FY2013.

State Fleet

This program is tasked with the responsibility of managing all aspects of the state fleet from purchase to the sale of the vehicle at the end of its useful life. Core functions include the maintenance/repair of vehicles, documenting and processing vehicle accidents, roadside assistance, and tracking driver license status of vehicle operators. This year fleet staff focused intently on increasing vehicle utilization and lowering repair costs through additional parts and labor price agreements with private vendors. Another success was the purchase of 55 new natural gas vehicles



Department of Transportation fleet vehicles.

to assist in statewide efforts to reduce vehicle emissions through cleaner vehicle technologies.

State Fuel Network

A core requirement of a fleet management program is the availability of fuel to customers at a competitive rate. The Fuel Network provides this critical function for more than 40,000 vehicles participating at all levels of state and local government. The Fuel Network also orders and maintains fuel for 450 fuel storage tanks state-wide, including 130 fuel sites with card readers to dispense fuel to government vehicle customers participating in the fuel network. In FY2013, the Fuel Network dispensed 8.7 million gallons of fuel that was on average \$0.13 lower than retail gas prices.

Travel Office

The Travel Office meets the business travel needs of state and local government agencies in the form of airline, hotel, and rental car booking services. The Travel Office continues to use Christopherson Business Travel (CBT) as the contracted provider to book travel arrangements for government customers. During FY2013, Travel Office agents booked more than 50,000 airline, hotel, and car reservations for state and local government travelers. The Travel Office also manages the daily rental contract with private car rental companies and will add an additional private contract provider by January 2014. One of the greatest benefits of the Travel Office is its consistent low price and quality customer service. This year the office maintained that standard by staying on average \$27 lower than the commercial market for airline tickets booked for business travel.

FY 2013 DIVISION HIGHLIGHTS

Preparedness.

Sam Lee organized a successful emergency preparedness exercise for DAS employees during the April 2013 Utah ShakeOut program. DFO continues to play a key role in the State EOC emergency support function #12 (Energy). Fleet staff also completed an update of the EDO Continuity of Operation Plan and coordinated the completion of and update to all DAS division plans by the June 30, 2013 deadline.

National Boards.

Sam Lee was elected Vice President of the Executive Committee of National Conference of State Fleet Administrators (NCSFA).

- ▶ The State of Utah was selected to host the NCSFA National Conference October 9-11, 2013 as an industry leader in state fleet management.

Industry Recognitions.

The Division continues to be recognized as an industry leader by national fleet conference organizers and magazines. Here are some examples from FY2013:

- ▶ Scott Bingham was selected to speak at the Government Fleet Conference held June 10-12 in San Antonio, Texas. DFO was also recognized at the Conference as a “100 Best Fleets” award recipient



An additional 55 CNG vehicles were added to the state fleet in FY 2013, an important step towards cleaner air.

- ▶ DFO was recognized as the “#4 Top Government Green Fleet” (Top 40 recognition for Government Fleets in the US) at the Green Fleet Conference held June 2012 in Chicago Illinois.
- ▶ DFO was highlighted by Government Fleet Magazine in January 2013 with a case study article about the State Fleet purchasing practices.

Operational Improvements.

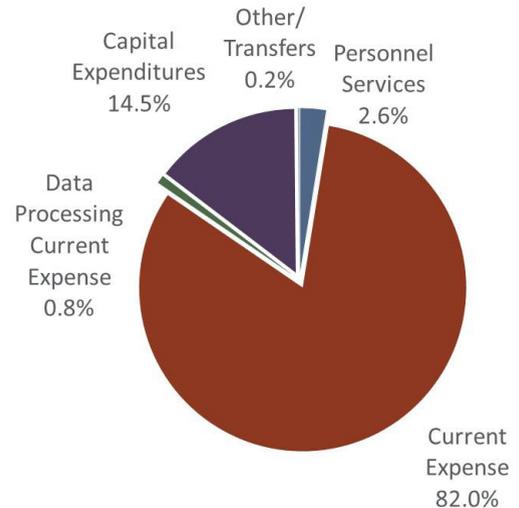
- ▶ Changes to the windshield repair/replacement process now allow state drivers to complete a simple online form to have an appointment set up with the appropriate contract vendor.
- ▶ The electronic interface between the Fleet Operations and the Division of Risk Management’s information systems is now fully operational.
- ▶ Fleet has moved to an “electronic verification” of recall orders from manufacturers for state vehicles through web portals now available to fleet staff. This will remove the cumbersome requirement for agencies to forward recall paperwork to our office to close out an open recall on their leased vehicle.

Employee Recognitions.

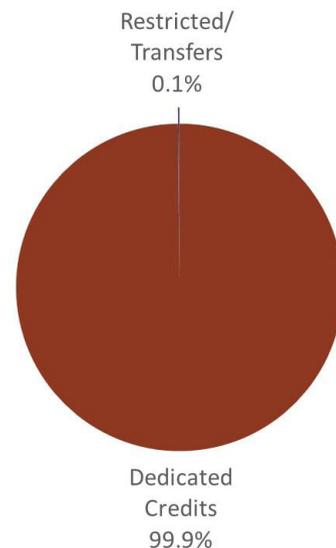
- ▶ Sam Lee and Gary Robertson received the Governor’s Award for Excellence as members of the Cyber Security/COOP ERM team.
- ▶ Kevin Lucas received the “President’s Award” from the Utah Business Travel Association (UBTA).

**FISCAL YEAR ENDING JUNE 30, 2013
(UNAUDITED)**

**Fleet Operations Expenditures
\$ 69,612,700**



**Fleet Operations Revenues
\$ 68,985,200**



SERVICES AND FUNCTIONS

- ▶ Fleet vehicle data reports for agencies to use in the management of their vehicles
<http://fleet.utah.gov/menu-fleet-secured-reports.html>
- ▶ Online airline, hotel, rental car travel request forms
<https://legacy.cbtravel.com/business/request/state/>
- ▶ Personal owned vehicle cost comparison utility
<https://webapps.utah.gov/general/>
- ▶ Fuel dispensing services from state owned fuel sites
<http://fleet.utah.gov/menu-fueling-locations.html>



State fuel site in Murray.

- ▶ Fuel card services used at state fuel network and commercial fuel sites
<http://fleet.utah.gov/fuel-program.html>
- ▶ Fuel dispensing services to the public at state owned CNG fueling locations
<http://fleet.utah.gov/fuel-program/menu-cng.html>

BOARDS AND COMMITTEES

- ▶ Motor Vehicle Review Committee
(See 63A-9-301)

DAS STATEWIDE CUSTOMER SERVICE SUMMARY FOR FY 2013



Services Provided

Total

FLEET OPERATIONS

Vehicles

Count of vehicles as of June 2013	7,463
Total miles traveled	79,142,987
Underutilized vehicles - mileage below the bottom utilization quartile of "use category" (min 6 mo. service)	1,837
Percent of underutilized vehicles	25%
Annual lease savings from Fleet Operations (based on \$ 107 per vehicle savings each month)	\$ 5,754,888

Accidents

Total accidents (including preventable accidents)	1,191
"Preventable" accidents	480
Average miles between preventable accidents	164,881

STATE FUEL

Fuel Use

Gallons of fuel (combines unleaded and diesel) dispensed from State Fuel Network sites	8,667,204
Fuel cost savings for unleaded and diesel fuel	\$ 1,116,321

STATE TRAVEL

Airline Travel

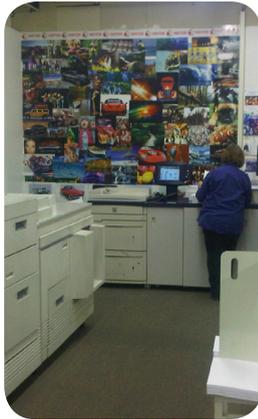
Tickets purchased	5,665
Annual airline travel savings (FY2013 average savings per domestic ticket is \$ 27.06)	\$ 153,295

3150 State Office Building
Salt Lake City, UT 84114
Phone: (801) 538-3151
Fax: (801) 538-3882
www.purchasing.utah.gov



Purchasing & General Services

a division of the Department of Administrative Services



DIVISION EXECUTIVE TEAM



Nancy Orton, Kent Beers, and Paul Mash

- ▶ Kent Beers, Director,
Chief Procurement Officer
kbeers@utah.gov (801) 538-3143
- ▶ Paul Mash, Deputy Director,
Cooperative Contracting ISF
pmash@utah.gov (801) 538-3138
- ▶ Nancy Orton, Deputy Director
nancyo@utah.gov (801) 538-3148
- ▶ Rachel Cheney, Front Desk
rcheney@utah.gov (801) 538-3151

DIVISION DIRECTOR MESSAGE



Kent Beers, Director

The Utah Division of Purchasing is recognized as one of the best managed public procurement agencies in the nation. In 2013, for its fourth consecutive year, State Purchasing received the “Achievement of Excellence in Procurement” award

from the National Purchasing Institute. Annually, the division manages over \$1 billion in public spend for goods and services. State Purchasing manages nearly 700 cooperative contracts for goods and services used by state agencies, local governments and educational entities across the state. Cooperative contracting brings together the buying power of all government entities resulting in lower prices through volume discounts, saving public entities millions of dollars, provides higher quality goods and services, and establishes stronger contract terms and conditions. State Purchasing is in the process of transitioning to an Internal Service Fund (ISF). In order to facilitate this transition, the Legislature authorized State Purchasing to charge a small administrative fee on each cooperative contract. Each time a governmental entity or school makes a purchase from a state cooperative contract, a small fee is paid by the vendor to State Purchasing. The lower prices received by government entities through State Purchasing’s cooperative contracts more than offsets the cost of the administrative fee. Public entities in Utah spend approximately \$600 million per year through State Purchasing’s cooperative contracts.

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

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

State Mail saves state agencies and political subdivisions over \$2.2 million annually through discount rates on processing, sorting and delivering mail. The rates charged by State Mail are lower than rates charged by the U.S. Postal Service and other private sector mail service companies for the same services.

State Print Services. The State Copy Center saves state agencies \$600,000 annually in printing costs. Other services such as binding, folding, drilling, and cutting are available at an average cost savings of 50 percent. The discount copy program is administered through a contract with Xerox Corporation. Price surveys show the rates charged through this discount program are consistently lower than rates charged by walk-in copy centers.

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

Division Goals (2014)

- ▶ Purchasing: Update the Procurement Rules
- ▶ Purchasing: Convert 75 percent of cooperative contracts to fee-based contracts within the Internal Service Fund
- ▶ Purchasing: Write RFP/Bids for small state agencies

FY 2013 DIVISION HIGHLIGHTS

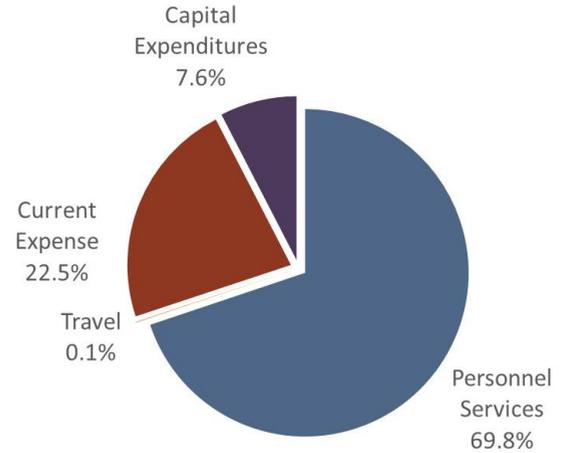
- ▶ State Purchasing conducted over 3,100 procurements on behalf of state agencies.
- ▶ State Purchasing administered nearly 700 State Cooperative Contracts used by state agencies and other political subdivisions of the state to purchase goods and services.
- ▶ State Purchasing administers 12 WSCA-NASPO Cooperative Contracts used by state agencies and other political subdivisions of the state to purchase goods and services.
- ▶ State Purchasing received the “2013 Achievement of Excellence in Procurement” award from the National Purchasing Institute.
- ▶ State Purchasing continues the monthly “Purchasing Training Program” for purchasing agents located throughout the State of Utah including political subdivisions. This training is well received.
- ▶ State Purchasing’s Procurement Coordinator continues to mentor state agencies through the procurement process.
- ▶ State Purchasing is currently sponsoring four of its agents in obtaining their Certified Professional Public Buyer (CPPB) certification. CPPB credentials are recognized throughout the public procurement profession and demonstrate an individual’s comprehensive knowledge of public procurement.



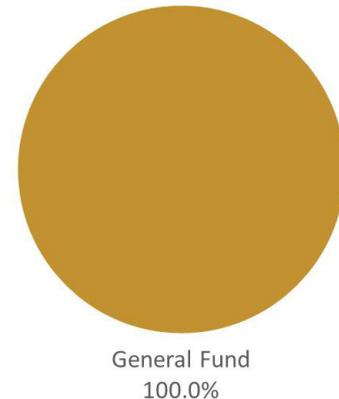
Left: Shirley Williams, State Contract Analyst; **Right:** Adrian Ruger, Purchasing Agent

FISCAL YEAR ENDING JUNE 30, 2013 (UNAUDITED)

Purchasing Appropriated Expenditures \$ 761,100

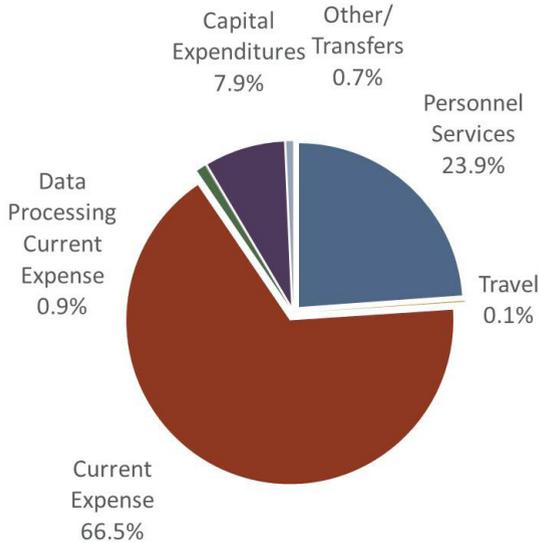


Purchasing Appropriated Revenues \$ 761,100



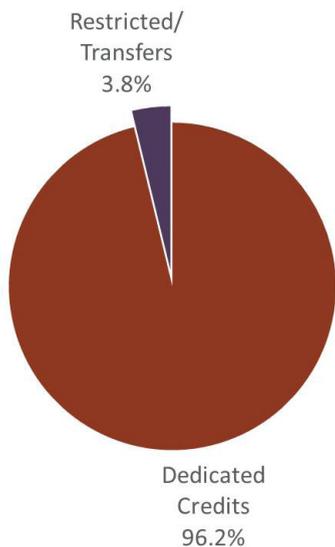
Purchasing & General Services ISF Expenditures

\$ 19,162,846



Purchasing & General Services ISF Revenues

\$ 20,419,205



SERVICES AND FUNCTIONS

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

<http://purchasing.utah.gov/>

General Services – provides the following essential services:

STATE MAIL & DISTRIBUTION SERVICES – A full service mail processing and distribution operation.

PRINT SERVICES – Manages essential document production services including Digital Print Services and the State Copy Center.

SURPLUS PROPERTY - Provides pick-up, sales, and other means of disposal of excess resources to include online auctions and retail sales.

<http://purchasing.utah.gov/general-services.html>

BOARDS AND COMMITTEES

- ▶ Utah Purchasing From People With Disabilities Advisory Board (PDAB)
- ▶ Educational Purchasing Advisory Committee (EdPac)
- ▶ Utah Procurement Advisory Council (UPAC)
- ▶ Cities and Counties Purchasing Advisory Committee (CPAC)
- ▶ WSCA-NASPO Cooperative Purchasing Organization (WNCPO)
- ▶ National Association of State Procurement Officials (NASPO)

DAS STATEWIDE CUSTOMER SERVICES SUMMARY FOR FY 2013



Services Provided

Total

STATE PURCHASING

Use of State Cooperative Contracts	\$ 613,032,863
Cost Savings	\$ 61,303,286
State agency contract processing time (days)	9.92

STATE MAIL & DISTRIBUTION SERVICES

Pieces of mail processed	24,117,313
Savings from freight and postage discounts	\$ 2,265,054

STATE PRINT SERVICES

Number of jobs	3,111
Percent of jobs completed on time	99.58%

SURPLUS

Average pickup (days)	9.20
Number of items	31,559

5120 State Office Building
Salt Lake City, UT 84114
Phone: (801) 538-9560
Fax: (801) 538-9597
www.risk.utah.gov



Risk Management
a division of the Department of Administrative Services



DIVISION EXECUTIVE TEAM



Brian Nelson, Brian Spencer, Tani Pack Downing, Steve Hewlett, Bruce Garner, and Jeff Coates

- ▶ Tani Pack Downing, Director
tdowning@utah.gov (801) 538-9598
- ▶ Stephen Hewlett, Assistant Director
shewlett@utah.gov (801) 538-9572
- ▶ Brian Nelson, Assistant Director, Loss Control
Manager
benelson@utah.gov (801) 538-9576
- ▶ Jeff Coates, Claims Manager
jcoates@utah.gov (801) 538-9568
- ▶ Brian Spencer, Administrative Manager
bspencer@utah.gov (801) 538-3212
- ▶ Bruce Garner, Assistant Attorney General
brucegarner@utah.gov (801) 538-9579

DIVISION DIRECTOR MESSAGE



Tani Pack Downing, Director

The mission of the Division of Risk Management (DRM) is to protect State assets, to promote safety, and to control against property, liability, and auto losses. DRM insures just under \$31 billion of property, including over 6,747 buildings and 12,916 vehicles, and provides

liability coverage for state agencies, higher education, school districts and charter schools and their over 120,000 employees. Significantly, school district and charter school participation is voluntary and all school districts in the State of Utah and 61 of 88 charter schools have elected to participate in the State Risk Fund. DRM protects these employees and assets by first attempting to prevent accidents and losses.



A roof collapse at the "This is the Place" Bowery shelter.

We employ a team of skilled loss control specialists who interact with our insureds on a daily basis to spot problems and correct them before they lead to a loss. Despite our best efforts, losses still occur, such as property losses to buildings and autos or potential liability losses where damage and injuries require investigation and resolution of claims by insureds and third parties. While we keep losses down and service high by having

significant self insured retentions, DRM insures against catastrophic losses by purchasing additional insurance from the private sector.

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

This year we have focused on automating manual processes and decreasing the use of paper files. We automated the Certificate of Insurance request process as well as fleet accident reporting, significantly decreasing our response time and manual effort. Our policies were distributed electronically for the first time, reducing printing cost, environmental impact and manual processing effort. These technological solutions have and will allow us to do our administrative work in a more efficient manner.



Clean up after the Willard Bay pipeline spill.

FY 2013 DIVISION HIGHLIGHTS

- ▶ Replaced our bound and mailed printed Insurance Policy with an electronic document which was emailed to all insureds. Saved printing, paper, and mailing costs.



The Risk Fund covers some artwork such as "Poisedon, in Compliance with the Advice of Hera, Urging the Grecian Chiefs to Renew Battle," an emerald carving in the form of a pendant (unknown German artist).

- ▶ Converted requests for Certificates of Insurance to an online automated format creating a 10 percent reduction in processing time in the first six weeks while also seeing an 18 percent rise in requests.
- ▶ Received a 98 percent Superior Rating on a claims audit performed by an independent national consulting firm. The auditor praised the Division's ability to work well with the Attorney General's (AG) office attorneys and staff's ability to effectively coordinate internally between claims adjusters and loss prevention specialists.
- ▶ Integrated our loss control cases into our Enterprise Risk Management Information System (ERMIS) allowing for direct ties between the activities of the claims adjusters and the loss control staff. This integration also allows for expanded reporting on specific agencies and assets.
- ▶ Completed integration between ERMIS and Fleet database, eliminating the 30 day wait period before an auto claim is processed.

DOING MORE WITH LESS

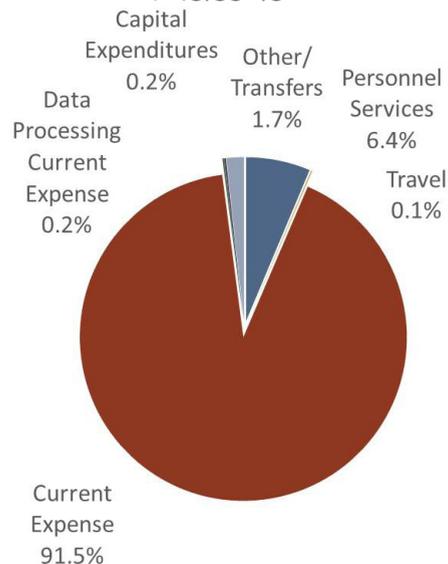
As insured properties and values continue to increase, the Division of Risk Management continually looks for ways to improve both efficiencies in business processes and effectiveness in assisting our customers to protect the assets of the State. The workload has steadily increased over the last 12 years as the assets of the state have increased. While allotted only one additional FTE during that time period, DRM has embraced technological solutions to help fill the gap. Remarkably, the number of claims reported per year have actually decreased by 18% during that same time period.

Increases in Workload

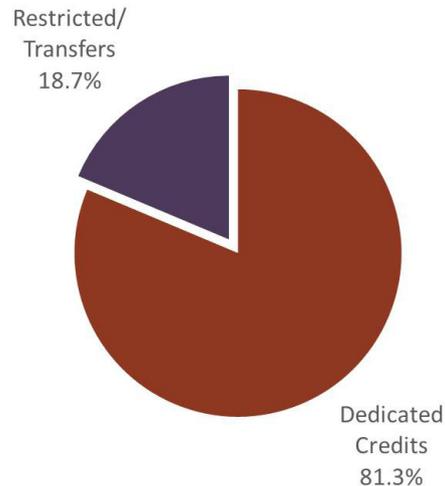
- ▶ 1120 percent increase in number of charter schools insured over 11 years
- ▶ 70.7 percent increase in insured property values over 11 years
- ▶ 15.53 percent increase in number of buildings insured over 9 years
- ▶ 46.3 percent increase in number of vehicles insured over 11 years
- ▶ 64 percent increase in number of inspections over 6 years
- ▶ 68 percent increase in certificate of insurance requested over 6 years
- ▶ 32.4 percent decrease in Workers Compensation claims over 6 years

FISCAL YEAR ENDING JUNE 30, 2013 (UNAUDITED)

Risk Management Expenditures \$ 43,338,300



Risk Management Revenues \$ 38,122,800



SERVICES AND FUNCTIONS

Loss Control Services

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

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

<http://events.risk.utah.gov/>

Claims Services

The independent claims audit found that our experienced claim adjusters:

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

<http://risk.utah.gov/reportclaim.html>

DAS STATEWIDE CUSTOMER SERVICES SUMMARY FOR FY 2013



Services Provided

Total

CLAIMS

Auto

Claims opened	632
Claims closed	640
Payments paid for prior year claims*	(\$ 75,777)
Payments paid for current year claims	\$ 1,077,376

Liability

Claims opened	1,364
Claims closed	1,408
Payments paid for prior year claims	\$ 10,600,857
Payments paid for current year claims	\$ 2,089,277

Property

Claims opened	313
Claims closed	322
Payments paid for prior year claims	\$ 3,025,411
Payments paid for current year claims	\$ 3,497,755

Workers Compensation

Claims	953
Claims cost	\$ 2,214,411

PREVENTION

Disability prevention evaluations	435
Consultations	2,520
Training sessions	159
Training participants	4,124
Online self inspection surveys completed by entities	88%
Site inspections	671

CERTIFICATES OF INSURANCE

FY2013 certificates of insurance	1,311
----------------------------------	-------

* Recoveries received in FY 13 on prior year auto claims exceeded payments made in FY 13.



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

Utah Navajo Royalties
Holding Fund
a division of the Department of Administrative Services



PROGRAM EXECUTIVE TEAM

- ▶ Tony Dayish, Administrator
tdayish@utah.gov (435) 678-1468
- ▶ Maury Bergman, Financial Manager
mbergman@utah.gov (435) 678-1461
- ▶ Dorothy Phillips, Project Specialist
dphillips@utah.gov (435) 678-1460

ADMINISTRATOR MESSAGE



Tony Dayish, Administrator

The Utah Navajo Royalties Holding Fund (UNRHF) is a temporary state agency administering the Utah Navajo Trust Fund in the interim while awaiting the United States Congress to formally designate another trustee for the Trust Fund. In 2008, the State of Utah decided to withdraw from

being the trustee for the trust fund after filling this role for about 50 years. Proposed bills and strategies are still being debated by various groups. The 1933 Act and the 1968 Amendment regarding the Trust Fund must be amended to allow a new trustee to take over the Utah Navajo Trust Fund for the State of Utah. In the meantime, the UNRHF staff continues to provide services to Utah Navajo students with college financial aid and scholarships and to focus on completing housing projects that were funded prior to May of 2008 (which we call the Sunset grants).

Our FY2013 goals included obtaining matching grants from the State of Utah-Navajo Revitalization Fund (NRF). The access to these additional resources provided the means to complete more housing projects and other community

development projects. In addition to getting projects done, one of our goals in FY2014 will be to help as many students and families as possible understand how the expiration of the UNRHF legislation will affect them and how to effectively take advantage of the programs that are still available to Utah Navajos up to the expiration date.



The Utah Navajo Royalties Holding Fund has 15 full-time construction workers who help complete projects such as homes funded through housing grants.

During the 2012 Legislative Session, a time extension was approved enabling the UNRHF to continue operating for another two years. The extension has provided more time for projects to be completed and for the college financial aid and scholarships to continue at the normal level. We are thankful for the extra time that was provided to allow access to much-needed housing grants and scholarships. The projects under the Sunset grants are about 87 percent completed at the end of FY2013 and the college financial aid and scholarship program continues to provide good service to Utah Navajo students. The UNRHF faces the expiration of the extended Sunset Grants on Jan. 01, 2014 and the limitation of the college financial aid and scholarships on June 30, 2014.

I am pleased to announce that Mr. Maury Bergman joined our team as Financial Manager.

PROGRAM HIGHLIGHTS

- ▶ The unaudited net assets at the end of FY2013 was \$56.4 million consisting of \$13.5 million in future payments from the Pelt case, \$33.6 million in the State Money Management Act Investments, \$1.8 million in operating cash, and \$7.5 million in Capital Assets (Land, Buildings, Improvements, Equipment, & Vehicles) and other assets.
- ▶ UNRHF received \$500,000 from the Pelt lawsuit settlement in FY2011, \$2.5 million in FY2012, and \$9.5 million in FY2013. The last payment of \$13.5 million is expected to be received by UNRHF in FY2014.
- ▶ The Oil & Gas Royalties revenues amounts in FY2013 as reported by the U.S. Interior Department/Minerals Management Service (MMS), the Bureau of Indian Affairs-Window Rock office, and the Navajo Nation/Minerals Department is \$6.1 million.
- ▶ The number of Higher Education Financial Aid/Scholarships grants to assist Utah Navajo students during FY2013 was as follows:

Grant Program	Students	Amount
UNRHF grants	370	\$ 629,669
Endowment grants	88	\$149,420
Total grants	458	\$ 770,089

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

This year, 177 students were assisted Fall semester; this number is comparable with the average number of students assisted over the three Fall semesters prior (175 students).

- ▶ The amount spent on Housing Projects and Community Development Projects in FY2013 was \$627,303.



Development of Westwater Loop Road in Blanding, Utah.

- ▶ There are 421 Sunset projects and 87 percent of these projects are completed.
- ▶ There are 552 NRF grants (and growing each year) that UNRHF is tracking and administering on behalf of NRF.
- ▶ Hearts and Hands in Action of Santaquin, Utah provided matching resources to build three houses in Westwater, which is a 120-acre tract of land owned by the Navajo Nation tribal government, located on the western outskirts of Blanding, Utah. In addition, Hearts and Hands had to haul dirt to these sites to make the septic tank and leach field operable. Hearts and Hands has built a total of 14 houses in Westwater over the past several years. Additionally, Design Build Bluff has built one house.



The new septic tank and leach field in Westwater were made operable with the help of Hearts and Hands.

SERVICES AND FUNCTIONS

Higher Education Scholarships & Financial Aid Program

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

<http://finance.utah.gov/navajoscholfinaid.html>

UNTF Sunset Projects

– The UNTF Dineh Committee and the Board of Trustees approved 421 projects before being dissolved in May 2008. These projects were authorized by the state legislature to be completed. The UNRHF has been working with the Utah Navajo Chapters, clients, and vendors to try to get as much of these projects completed. UNRHF is at 87% complete status at the end of the FY2013.

<http://finance.utah.gov/navajoprojects.html>

Navajo Revitalization Fund (NRF) – NRF is a state agency and a sister organization to

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

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

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



The Utah Navajo Royalties Holding Fund partners with other organizations to complete housing projects.



CREDITS

2013 Annual Report & Directory of Services for
The Department of Administrative Services

EDITORS

McKenzie Ashman - Research Analyst
Department of Administrative Services

Marilee Richins - Operational Officer
Department of Administrative Services

REPORT PRINTED BY

The Division of Purchasing & General Services
December 2013

