Department of Government Operations
Executive Director's Office

State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

JENNEY REES
Executive Director

CHRISTOPHER HUGHES
Deputy Director

MARILEE P. RICHINS
Deputy Director

Agenda

GovOps FY2024
Internal Service Fund
Rate Committee Meeting

DATE: Thursday, September 22, 2022
TIME: 9 AM
PLACE: **Anchor location -** Taylorsville State Office Building
(TSOB) Tuacahn Room 1400 (1st Floor)
Virtual Option- *To participate virtually, please submit a request for the meeting link to* *mbrown2@utah.gov*

I. **Committee Business**:
   a. Welcome
   b. Review Meeting Protocols
   c. Approval of minutes from the September 15, 2022 meeting

II. **Presentation by GovOps Internal Service Funds Divisions**
   a. Technology Services follow up items:
      1. Presentation
         a. Application Development Platforms, Security Assessment
         b. Future Rate Impact Discussion
            • Seat Rate
            • Authentication
            • Enterprise Innovation, Modernization, and Automation
            • HCM Rate
      2. Discussion
         a. Committee
         b. Public Comment
   b. Action Items – Vote on FY 2024 Rates

Committee Members
Jaceson Maughan, Commissioner, Labor Commission
Gary Harter, Executive Director, Department of Veterans and Military Affairs
Kristy Rigby, Deputy Commissioner, Department of Public Safety
Ty Howard, Deputy Director, Department of Environmental Quality
Greg Paras, Deputy Director, Department of Workforce Services
Nate Winters, Deputy Director, Department of Health and Human Services
Duncan Evans, Managing Director of Budget & Operations, Governor's Office of Planning and Budget

ADA Notice: In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting must notify Ms. Melissa Brown at the Department of Government Operations, 4315 S 2700 W FL 3, Salt Lake City, Utah 84129-2138, or call 801-957-7171, at least three (3) business days prior to the meeting.

FY2024 Rate Committee Meeting
September 22, 2022

Division of Technology Services

Application Development Platforms

Modernize and streamline applications in the state to reduce cost, improve service, and address technical debt.

Alignment with the Governor's 'One Utah Roadmap' goal

"By 2025, 70% of new applications developed by enterprises will use low-code or no-code technologies, up from less than 25% in 2020."

-Gartner

Example Use Cases

▷ **Indigent Defense Fund:** The current process is all manual and tracked in spreadsheets and documents. Moving this to a platform will fully automate the process and help reduce entry errors from attorneys' reimbursement requests.

▷ **Department of Health and Human Services:** HHS is planning a significant rework of old systems and technical debt. The agency and development team are working to consolidate and streamline processes on a platform using a compostable application methodology.

▷ **Department of Agriculture Licensing:** The manual process of paper forms, scheduling, and issuing certificates for organic products or international export. Moving to a platform would decrease manual internal processes, streamline services provided, increase reporting, and allow quicker renewals by reducing redundant entry by farmers.

servicenow

▷ **Internal Application User Cost:** $40/User/Month
- ○ Price is based on tiered counts and will go down with increased adoption.

▷ **Additional Costs:**
- ○ External User Cost (Constituents): No costs

▷ **How do we cover those costs?**
- ○ Not Applicable since there are no costs associated with external users.

▷ **Is this an introductory rate?**
- ○ Rate was set so that it will only reduce with usage with no surprise costs.

▷ **Will we be paying more in the future?**
- ○ Cost will only go up based on contracts, if applicable. (Max of 3%) ServiceNow pricing has held steady or reduced over the past 5 years.

PowerApps

▷ **Internal Application User Cost:** $15/User/Month
▷ **Additional Costs:**
  ○ External User Cost (Constituents): Login Sessions and Page Views
▷ **How do we cover those costs?**
  ○ Costs for external use would be covered by the agencies, pay for what they use. There is no DTS mark-up.
▷ **Is this an introductory rate?**
  ○ Costs from Microsoft are locked in and will be renegotiated in 2024.
▷ **Will we be paying more in the future?**
  ○ Price is locked in Microsoft eliminating unforeseen costs in the future. Cost will only go up based on contracts, if applicable.Microsoft has reduced pricing over the past 5 years.

▷ **Internal Application User Cost:** $121.06/User/Month
  ○ Price is based on Service Cloud Unlimited Enterprise License Agreement (most common license)
  ○ All other Salesforce licenses will be Vendor Cost + 10%, the Service Cloud Unlimited rate was calculated and then divided by 12 months.
▷ **Additional Costs:**
  ○ External User Cost (Constituents)
▷ **How do we cover those costs?**
  ○ Costs for external use would be covered by the agencies, pay for what they use. There is no DTS mark-up.
▷ **Is this an introductory rate?**
  ○ Costs have been negotiated with Salesforce and will be renegotiated in December of 2023.
▷ **Will we be paying more in the future?**
  ○ Cost will only go up based on contract terms.

Security Assessment and Remediation

As required in UCA 63A-16-104 (4), DTS must "*evaluate the adequacy of the division's and the executive branch agencies' data and information technology system security standards through an independent third party assessment.*"

Assessment and Remediation costs included in this rate:

▷ Archer: Governance risk and compliance for system information
▷ Forescout: Compliance for devices connected to the network
▷ Rubrik: Increases data protection against ransomware
▷ Cyber Liability Insurance: Insurance for costs in the event of an incident
▷ Assessment: Covers expenses for assessments on state systems

Security Assessment Costs
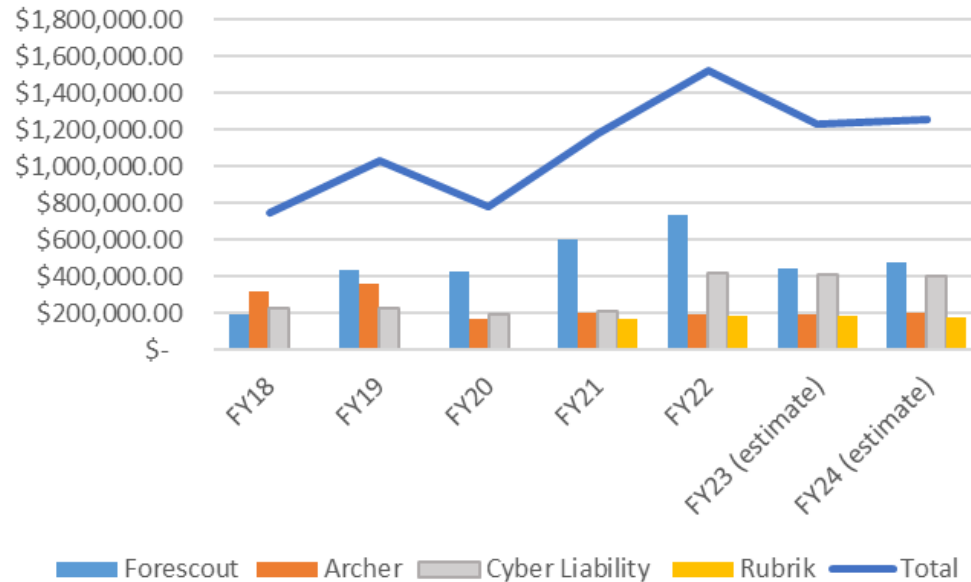
Fiscal Year	Forescout	Archer	Cyber Liability	Rubrik	Total
FY18	$192,721.89	$323,310.54	$ 229,343.50	$ -	$ 745,375.93
FY19	$439,137.81	$361,268.95	$ 229,412.20	$ -	$1,029,818.96
FY20	$425,946.12	$166,680.57	$ 190,742.74	$ -	$ 783,369.43
FY21	$598,744.94	$201,772.69	$ 209,816.99	$169,438.50	$1,179,773.12
FY22	$734,008.89	$191,888.52	$ 415,975.41	$184,842.00	$1,526,714.82
FY23 (estimate)	$440,444.22	$191,888.52	$ 415,000.00	$184,842.00	$1,232,174.74
FY24 (estimate)	$479,000.00	$200,000.00	$ 401,000.00	$175,258.42	$1,255,258.42

10

Last Week's Recommendation

FY23 Brackets (Servers)			
Group	Description	# of Servers	Annual Cost
1	Limited Agencies	0-5	$ 12,500.00
2	Small Agencies	6-38	$ 25,000.00
3	Medium Agencies	39-84	$ 50,000.00
4	Large Agencies	85+	$ 100,000.00

FY24 Brackets (Devices)			
Group	Description	# of Devices	Annual Cost
1	Limited Agencies	1-25	$12,500.00
2	Small Agencies	26-100	$25,000.00
3	Medium Agencies	101-2000	$50,000.00
4	Large Agencies	2001-5000	$100,000.00
5	Extra Large	5000+	$200,000.00

Other Options for Cost Distribution

▷ Annual Device Count: $58.28 per device per year

▷ Annual Security Connection Count: $54.60 per connection per year

▷ Annual FTE Count: $72.86 per FTE per year

▷ New bracket structure based on devices

New Bracket Recommendation

FY23 Brackets (Servers)			
Group	Description	# of Servers	Annual Cost
1	Limited Agencies	0-5	$ 12,500
2	Small Agencies	6-38	$ 25,000
3	Medium Agencies	39-84	$ 50,000
4	Large Agencies	85+	$ 100,000

FY24 Brackets (Devices)			
Group	Description	# of Devices	Annual Cost
IO	Insurance Only	SBA	$3,565
1	Limited Agencies	1-99	$15,500
2	Small Agencies	100-499	$31,000
3	Medium Agencies	500-1999	$62,000
4	Large Agencies	2000-4999	$124,000
5	Extra Large	5000+	$248,000

New Recommendation Impact

Dept	Dept Name	Servers	FY23 Group	Desktops	FY24 Group	FY23 Charge	FY24 Charge	FY24 Rate Impact
30	030 Capitol Preservation Board*	0	0	14	IO	$ 2,875	$ 3,565	$ 690
50	050 State Treasurer	0	0	57	IO	$ 2,875	$ 3,565	$ 690
60	060 Governor's Office	51	3	242	2	$ 50,000	$ 31,000	$ (19,000)
63	063 Governor's Office of Economic Opportunity	0	1	106	2	$ 12,500	$ 31,000	$ 18,500
90	090 Utah State Auditor	0	0	0	IO	$ 2,875	$ 3,565	$ 690
120	120 Tax Commission	135	4	957	3	$ 100,000	$ 62,000	$ (38,000)
150	150 Dept of Government Operations	150	4	2028	4	$ 125,000	$ 124,000	$ (1,000)
180	180 Dept of Public Safety	118	4	2574	4	$ 100,000	$ 124,000	$ 24,000
250	250 Dept of Health and Human Services	409	4	5510	5	$ 200,000	$ 248,000	$ 48,000
410	410 Dept of Corrections	67	3	3059	4	$ 50,000	$ 124,000	$ 74,000
430	430 Board of Pardons & Parole	0	1	52	1	$ 12,500	$ 15,500	$ 3,000
450	450 Dept of Veterans & Military Affairs	2	1	45	1	$ 12,500	$ 15,500	$ 3,000
480	480 Dept of Environmental Quality	42	3	506	3	$ 50,000	$ 62,000	$ 12,000
540	540 Trust Fund Office	0	0	10	IO	$ -	$ 3,565	$ 3,565
560	560 Dept of Natural Resources	42	3	1483	3	$ 50,000	$ 62,000	$ 12,000
570	570 Dept of Agriculture & Food	1	1	240	2	$ 12,500	$ 31,000	$ 18,500
600	600 Dept of Workforce Services	242	4	3006	4	$ 100,000	$ 124,000	$ 24,000
650	650 Dept of Alcoholic Beverage Services	29	2	511	3	$ 25,000	$ 62,000	$ 37,000
660	660 Labor Commission	11	2	141	2	$ 25,000	$ 31,000	$ 6,000
670	670 Dept of Commerce	39	2	356	2	$ 25,000	$ 31,000	$ 6,000
680	680 Dept of Financial Institutions	0	1	69	1	$ 12,500	$ 15,500	$ 3,000
690	690 Dept of Insurance	6	1	121	2	$ 12,500	$ 31,000	$ 18,500
700	700 Public Service Commission	2	1	25	1	$ 12,500	$ 15,500	$ 3,000
710	710 Dept of Cultural and Community Engagement	6	1	270	2	$ 12,500	$ 31,000	$ 18,500
810	810 Dept of Transportation	69	3	1628	3	$ 50,000	$ 62,000	$ 12,000
Total Revenue:						$ 1,058,625	$ 1,347,260	$ 288,635

Security Assessment Options - Impact

Dept	Dept Name	FY23 Cost	Original Brackets	Device Count	Security Connection	FTE Impact	New Brackets
30	30 Capital Preservation Board	$2,875	-$2,875	$690	$690	$690	$690
50	50 Treasurer	$2,875	$22,125	$690	$690	$690	$690
60	60 Governor's Office	$50,000	$0	-$35,920	-$35,772	-$39,882	-$19,000
63	63 GOED	$12,500	$37,500	-$6,361	-$6,203	-$6,117	$18,500
90	90 State Auditor	$2,875	$0	$690	$690	$690	$690
120	120 Tax Commission	$100,000	-$50,000	-$44,253	-$45,317	-$54,346	-$38,000
150	150 DGO	$125,000	-$25,000	-$6,814	$39,528	-$26,633	-$1,000
180	180 Public Safety	$100,000	$0	$49,964	$13,148	$3,721	$24,000
250	250 Health and Human Services	$200,000	$0	$121,085	$123,246	$179,794	$48,000
410	410 Corrections	$50,000	$50,000	$128,255	$118,373	$129,093	$74,000
430	430 Board of Pardons & Parole	$12,500	$12,500	-$9,513	-$9,374	-$9,511	$3,000
450	450 Veterans Affairs	$12,500	$12,500	-$9,892	-$9,947	-$10,252	$3,000
480	480 Environmental Quality	$50,000	$25,000	-$20,514	-$20,888	-$23,828	$12,000
540	540 Trust Fund Office	$2,875	$9,625	$690	$690	$690	$3,565
560	560 Natural Resources	$50,000	$0	$36,393	$32,494	$55,799	$12,000
570	570 Agriculture	$12,500	$37,500	$1,449	$686	$6,786	$18,500
600	600 Workforce Services	$100,000	$0	$75,147	$76,399	$48,895	$24,000
650	650 Alcoholic Beverage Control	$25,000	$25,000	$4,758	$7,356	$9,184	$37,000
660	660 Labor Commission	$25,000	$25,000	-$16,831	-$16,054	-$16,896	$6,000
670	670 Commerce	$25,000	$25,000	-$4,266	-$3,118	-$5,340	$6,000
680	680 Financial Institutions	$12,500	$12,500	-$8,503	-$10,753	-$8,823	$3,000
690	690 Insurance	$12,500	$37,500	-$5,487	-$5,547	-$5,901	$18,500
700	700 Public Service Commission	$12,500	$0	-$11,043	-$10,862	-$11,271	$3,000
710	710 Dept of Cultural and Community Engagement	$12,500	$25,000	$3,212	$1,464	-$1,471	$18,500
810	810 Transportation	$50,000	$0	$44,873	$46,881	$72,740	$12,000
Total Impact:		$1,061,500	$278,875	$288,500	$288,500	$288,500	$288,635

Security Assessment Options - Total Cost

Dept	Dept Name	FY23 Cost	Original Brackets	Device Count	Security Connection	FTE Impact	New Brackets
30	30 Capital Preservation Board	$2,875	$0	$3,565	$3,565	$3,565	$3,565
50	50 Treasurer	$2,875	$25,000	$3,565	$3,565	$3,565	$3,565
60	60 Governor's Office	$50,000	$50,000	$14,080	$14,228	$10,118	$31,000
63	63 GOED	$12,500	$50,000	$6,139	$6,297	$6,383	$31,000
90	90 State Auditor	$2,875	$12,500	$3,565	$3,565	$3,565	$3,565
120	120 Tax Commission	$100,000	$50,000	$55,747	$54,683	$45,654	$62,000
150	150 DGO	$125,000	$100,000	$118,186	$164,528	$98,367	$124,000
180	180 Public Safety	$100,000	$100,000	$149,964	$113,148	$103,721	$124,000
250	250 Health and Human Services	$200,000	$200,000	$321,085	$323,246	$379,794	$248,000
410	410 Corrections	$50,000	$100,000	$178,255	$168,373	$179,093	$124,000
430	430 Board of Pardons & Parole	$12,500	$25,000	$2,987	$3,126	$2,989	$15,500
450	450 Veterans Affairs	$12,500	$25,000	$2,608	$2,553	$2,248	$15,500
480	480 Environmental Quality	$50,000	$50,000	$29,486	$29,112	$26,172	$62,000
540	540 Trust Fund Office	$2,875	$12,500	$3,565	$3,565	$3,565	$3,565
560	560 Natural Resources	$50,000	$50,000	$86,393	$82,494	$105,799	$62,000
570	570 Agriculture	$12,500	$50,000	$13,949	$13,186	$19,286	$31,000
600	600 Workforce Services	$100,000	$100,000	$175,147	$176,399	$148,895	$124,000
650	650 Alcoholic Beverage Control	$25,000	$50,000	$29,758	$32,356	$34,184	$62,000
660	660 Labor Commission	$25,000	$50,000	$8,169	$8,946	$8,104	$31,000
670	670 Commerce	$25,000	$50,000	$20,734	$21,882	$19,660	$31,000
680	680 Financial Institutions	$12,500	$25,000	$3,997	$1,747	$3,677	$15,500
690	690 Insurance	$12,500	$50,000	$7,013	$6,953	$6,599	$31,000
700	700 Public Service Commission	$12,500	$12,500	$1,457	$1,638	$1,229	$15,500
710	710 Dept of Cultural and Community Engagement	$12,500	$50,000	$15,712	$13,964	$11,029	$31,000
810	810 Transportation	$50,000	$50,000	$94,873	$96,881	$122,740	$62,000
Total Impact:		$1,061,500	$1,337,500	$1,350,000	$1,350,000	$1,350,000	$1,347,260

Future Rate Impacts

Seat Rate

▷ Responding to feedback from agencies, we want to make DTS rates more simple, easy to understand, and predictable.

▷ We are discussing a "seat rate", which could replace various desktop and software rates
  - ○ This is not a recommendation for FY2024
  - ○ Met with other states, consultants, and have conducted much research over the past year

▷ Potential benefits:
  - ○ make rates more simple and predictable
  - ○ provide better service
  - ○ reduce support costs
  - ○ speed up computer deployment
  - ○ manage inventory and device life cycles
  - ○ reduce support calls
  - ○ increase security

Seat Rate

Current Rates:

Computer and Helpdesk Support
Adobe Pro/Sign
Google Email and Collaboration Tools
Network Connection
Security Support
AD Rate
SCCM

Seat Rate (estimated based on FY2024 proposed rates):

User Rate - $22.29 per month
Device Rate - $167.53 per month

Device Management

DTS is exploring an option to provide agencies with full life cycle services for desktops and laptops, including purchase, inventory, replacement, and surplus. The costs for this could be covered by an incremental increase in the device rate.

Benefits:
- ▷ DTS ownership will allow for faster deployment of computers.
- ▷ Agencies no longer have to deal with purchasing, surplusing, or destroying computers at the end of the life cycle.
- ▷ Agencies no longer have to track computer warranties/life cycles.
- ▷ More convenience with predictable refresh cycle (no outdated computers).
- ▷ Better functionality and increased security.
- ▷ Savings on device cost due to bulk purchase.
- ▷ Ease of billing, reduced rates, easier bill reconciliation for customers.
- ▷ Readily accessible inventory and inventory standardization resulting in faster DTS support.

Authentication (Identity and Access Management, Directory Services, PAM)

▷ DTS/DGO is submitting a budget request to GOPB to modernize the Identity and Access Management systems for the state and to cover the costs of conversion to the system for all agency applications.

▷ If this project is approved and funded, we will need to increase the security rate in the future to cover ongoing subscription costs
  ○ We estimate the security rate to increase by approximately 20%, which is up to a total of $2 million per year

Innovation, Standards, and Training

▷ DTS needs additional staff in the area of Innovation, Standards, and Training to provide support for the following:
  ○ Take the lead on emerging technologies, such as Robotic Process Automation (RPA) and Artificial Intelligence
  ○ Develop and promote software standards to gain greater efficiencies and provide better service
  ○ Develop training programs for DTS staff to skill up technical resources
▷ A director level position to lead the team would be covered as part of overhead.
  ○ We expect overhead to increase by $220,375 annually in the future

HCM/Payroll

▷ The Department of Government Operations is currently working on a project to replace the current state Human Capital Management and Payroll systems.

▷ Cost for current HR and Payroll systems: $4.4 million
▷ Estimated cost of future systems: $5.65 million

▷ In the future, GovOps will propose a combined rate to cover Finance, HR, DTS staff, SaaS subscription expenses, and system maintenance. We estimate the net increase to be $1.25 million annually.

Rate Recommendations

See Rate Sheet

Rate Committee Action

GovOps Recommended Action

Action	Slide Number or Reference	Change
Approve FY2023 ServiceNow, PowerApp, Salesforce	24	N/A
Approve FY2024 DTS Rates	24	$6.8 million

Division of
Risk Management

Risk Management Rate Committee Actions

DGO Recommended Actions		
Action	**Slide Number or Reference**	**Change**
Approve liability premium increases	28	$3,870,864
Approve property premium increases	29	$6,854,685
Approve automobile premium increases	30	$1,071,350
Approve learning management system fees	31	64,600
Approve aviation increases	32	$829,363
Approve cyber liability increases	33	$1,301,865

Liability Rates/Projections by Risk Pool

(Numbers in Thousands)	Rates		Change	
Risk Pool	**FY2023**	**FY2024**	**Dollars**	**Percent**
Charter Schools	$ 403.33	$ 512.07	$ 108.74	27.0%
Higher Education	$ 5,537.12	$ 6,656.90	$ 1,119.78	20.2%
Independent Agencies	$ 18.87	$ 24.56	$ 5.69	30.2%
School Districts	$ 9,565.87	$ 10,018.52	$ 452.65	4.7%
State Agencies	$ 12,452.99	$ 14,636.99	$ 2,184.00	17.5%
Total	$ 27,987.18	$ 31,849.04	$ 3,870.86	13.8%

Property Rates/Projections by Risk Pool

(Numbers in Thousands)	Premiums		Change	
Risk Pool	FY2023	FY2024	Dollars	Percent
Charter Schools	$ 398.03	$ 491.53	$ 93.5	23.5%
Higher Education	$ 14,861.18	$ 18,119.19	$ 3,258.01	21.9%
Independent Agencies	$ 62.50	$ 75.30	$ 12.80	20.5%
School Districts	$ 11,869.83	$ 14,437.81	$ 2,567.98	21.6%
State Agencies	$ 5,394.65	$ 6,317.04	$ 922.40	17.7%
Total	$ 32,586.19	$ 39,440.87	$ 6,854.69	21.0%

Auto Physical Damage Rates/Projections by Risk Pool

(Numbers in Thousands)	Premiums		Change	
Risk Pool	**FY2023**	**FY2024**	**Dollars**	**Percent**
Charter Schools	$ 23.53	$ 31.11	$ 7.58	32.2%
Higher Education	$ 236.95	$ 323.07	$ 86.12	36.3%
Independent Agencies	$ 1.82	$ 2.47	$ 0.65	35.7%
School Districts	$ 1,191.79	$ 1,632.88	$ 441.09	37.0%
State Agencies	$ 1,262.56	$ 1,798.47	$ 535.91	42.4%
Total	$ 2,716.65	$ 3,788.00	$ 1,071.35	39.4%

Enterprise Learning Management System

- One Risk Management employee assists other departments with implementation and system issues.
- Current garage rate: $55/hour.
- Rate not charged for initial 50 hours of assistance.
- No rate change is requested.
- Anticipated total charges for FY2024: $64,600

Aviation Rates by Covered Entity Group

(Numbers in Thousands)	Premiums		Change	
Covered Entity Group	**FY2023**	**FY2024**	**Dollars**	**Percent**
Higher Education	(not funded)	$ 538.46	$ 538.46	N/A
State Agencies	(not funded)	$ 290.90	$ 290.90	N/A
Total		$ 829.36	$ 829.36	N/A

Cyber Rates by Covered Entity Group

(Numbers in Thousands)	Premiums		Change	
Risk Pool	FY2023	FY2024	Dollars	Percent
Higher Education	(not funded)	$ 1,717.09	$ 1,717.09	N/A
State Agencies	$ 415.23	$ 0	$ (415.23)	(100)%
Total	$ 415.23	$ 1,717.09	$ 1,301.86	313.5%

Division of Human Resource Management

Rate Committee Action

GovOps Recommended Action

Action	Slide Number or Reference	Change
Approve HR Services Rate	Slide 36	$862/FTE
Approve Payroll Rate	Slide 36	$72.5/FTE
Approve Consulting Services Rate	Slide 37	Actual Costs
Except for the rates discussed in this presentation, approve all other rates identified in HB0008 from the 2022 General Session Lines 2845-2858.	HB0008, Lines 2845-2858	

Other DHRM Rates - Requested Changes

HR Services ($862/FTE)

Executive Branch Agencies:

-Classification & Compensation
-Employee & Labor Relations
-Employment Transactions
-Recruitment
-Retirement Leave Payouts
-Consultation

Payroll ($72.5/FTE)

Most Executive Branch Agencies:

-Payroll processing

Core HR ($12/FTE) -NO CHANGE

All State Employees:

-HRIS- stores employee information, interfaces with payroll processing
-Recruitment System StateJobs.Utah.gov

DHRM Proposed Rates

Consulting Services - Proposed Change Current Rate - $60 Proposed Rate - Actual Cost *Billing for DHRM consultation with agencies who do not pay a rate to use DHRM HR Services.	**Course Fee** ($750/Course) - NO CHANGE DHRM course and training fee.	**Other Training Fee** ($25/hr plus materials) - NO CHANGE Other training fee per contact hour.

Division of Facilities Construction and Management

Management Rate Committee Action

GovOps Recommended Action

Action	Slide Number or Reference	Change
Approve rate adjustments for nine programs	Slide 40	$1,209,570.00
Approve one new scope change	Slide 41	$450,000.00
Except for the rates discussed in this presentation, approve all other rates identified in HB0008 from the 2022 General Session Lines 1938-2075.	HB0008 Lines 1938-2075	

Facilities Management Rates

Rate Recommendation   FY 2024 Rates for Discussion

Rate Name	FY23 Current Rate	FY 24 Proposed Rate	Dollars Change	Percent Change	Units
Orem Public Safety	$8.00	$9.89	$25,000.00	23%	Per Sq. Foot
Matheson Courts	$4.48	$5.08	$250,000	13%	Per Sq. Foot
CCE-MSS	$4.25	11.35	$25,000	37%	Per Sq. Foot
DABS Complex	$4.36	$5.06	$150,000	16%	Per Sq. Foot
Ogden Regional Center - Multi Use	$6.79	$7.11	$35,000	16%	Per Sq. Foot
Academy Square - Multi Use	$6.40	$8.00	$75,000	20%	Per Sq. Foot
DABS - STORES	$4.25	$5.50	$571,575	29%	Per Sq. Foot
Veteran's Memorial Cemetery	$3.66	$6.14	$28,000	68%	Per Sq. Foot
Governor's Mansion - MOU	$10.32	$13.24	$50,000	28%	Per Sq. Foot
Total Dollars Change Requested			$1,209,575.00		

utah govops

Facilities Management Rates

FY 2024 Scope Changes

Rate Name	FY23 Current Rate	FY 24 Proposed Rate	Dollars Change	Percent Change	Units
DHHS-USDC	$5.60	$6.56	$450,000.00	25%	Per Sq. Foot

Division of Fleet Operations

Rate Committee Action

GovOps Recommended Action

Action	Slide Number or Reference	Change
Approve motor pool rate simplification	Slide 44	$133
Approve table for mileage rate	Slide 45	$454,499
Except for the rates discussed in this presentation, approve all other rates identified in HB0008 from the 2022 General Session Lines 2092-2145.	HB0008, Lines 2092-2145	

Simplification of Rate Structure

Affected FY2023 Rates

Proposed FY2024 Rates

Research Fee - $12

Service Fee - $12   } Service and Research Rate - $50

Bad Odometer Research - $50

Excessive Maintenance Accessory
Fee - Actual

Vehicle Feature and Misc.   } Vehicle Equipment Costs Rate -
Equipment - Actual   Actual

Equipment Rate for Public Safety
Actual

Mileage Rate Increase

Category	FY23	FY24	Dollars Change	Percent Change
Heavy Duty On Road	$0.50	$0.50	$ -	0%
Heavy Duty Off Road	$0.70	$0.80	$ 0.10	14%
Motorcycle	$0.36	$0.45	$ 0.09	25%
Police Pursuit	$0.13	$0.13	$ -	0%
Bus	$0.10	$0.16	$ 0.06	60%
Light Duty Off Road	$0.07	$0.08	$ 0.01	14%
Light Duty On Road	$0.05	$0.07	$ 0.02	40%
AR	$0.18	$0.21	$ 0.03	17%
Medium Duty Off Road	$0.21	$0.26	$ 0.05	24%
Medium Duty On Road	$0.14	$0.15	$ 0.01	7%
New code Post EVO	$2.78	pass through		-36%
FO9499 -VA SUPPLY TRA	$10.86	pass through		-99%

Update to mileage rate table to reflect changes in maintenance and repair costs.

Division of Purchasing & General Services

Rate Committee Action

GovOps Recommended Action

Action	Slide Number or Reference	Change
Approve all existing rates	SB0008, Lines 2334-2394	No change

Division of Finance
Travel and P-Card Programs

Rate Committee Action

GovOps Recommended Action

Action	Slide Number or Reference	Change
Approve the existing rates for State Travel Program	HB0008, Lines 2080-2091	
Approve the existing rate for P-Card Program	HB0008, Lines 2078-2079	

Department of Government Operations FY 2024 Rate Committee Meeting
Thursday, September 15, 2022
Taylorsville State Office Building – Tuachan Room and Virtual locations

Committee Members: Commissioner Jaceson Maughan – Chair, Ty Howard, Duncan Evans, Nate Winters, Gary Harter - Virtual, Greg Paras – Virtual & Kristy Rigby – Not present

Attendees: Jaime Rasmussen, Darin Dennis, Mike Kelley, Rob Muir, Jerry Allred, Marissa Klebenow, Dan Harmuth, Dana Gauthier, Joe Murray, Chris Hughes, Jim Russell, Andy Marr, Brian Nelson, Phil Bates, Stephanie Weteling, Annie Cook, Leno Franco, Alan Fuller, John Barrand, Greg Hargis, Janica Gines, Mark Yechick, Cory Weeks, Windy Apayrath

Committee Business
Chair Maughan called the meeting to order and explained that due to the changes to the meeting we were not able to notify the public of the hybrid format of the meeting, so we will be going through all of the presentations today and voting at the next meeting being held on Thursday, September 22, 2022.

Chair Maughan asked for a motion to approve the September 16, 2021 FY23 Rate Committee meeting minutes. Nate Winter motioned to approve the September 16, 2021 FY 23 Rate Committee meeting minutes, Duncan Evans seconded the motion and the committee approved the minutes.

Presentation by the Department of Government Operations ISF Divisions
Chair Maughan turned the time over to Jake Hennessy, Department of Government Operations Finance Director. Jake then turned the time over to Jenney Rees, Department of Government Operations, Executive Director. Director Rees thanked the Committee for taking the time to participate in this important meeting. Director Rees also explained that the Department has hired an independent entity, Moss Adams, to conduct an internal service fund (ISF) audit of all of the Department's ISF Divisions. They will be making recommendations that will guide and direct how we will look at rates in the future. Director Rees said that she will keep the Committee informed of this information. Jake also thanked the Committee for their time and flexibility in the hybrid format of the meeting.

Open and Public Meetings Act Training
Mike Kelley provided the annual required OPMA training.

ISF Division Presentations
Jake Henessy explained a slight change in the order of the agenda. He discussed the rate setting process mentioning that we want to be fair and equitable, use zero based cost accounting, our projected consumption recovers no more and no less than the actual cost and try to find the lowest practical cost for all agencies. Our divisions go through many activities to set rates including: annualizing expenses per service, dividing by consumption and calculating the rate. There are currently challenges that all agencies are facing like recruiting and retention, supply chain issues, inflation, security threats and legacy and technical debt.

Division of Risk Management – Brian Nelson, Director, provided an overview of the Risk Management program and their statutory requirements. Brian turned the time over to Darin Dennis, Assistant Director of Finance for the Division to go over their programs. The liability program has had a 13.8% increase due to claims and excess premiums that we've paid. As of 2022 our retained earnings in this area is moving towards the positive. The property program we've experienced significant losses and anticipate increases in this area. We will be working with the Legislature on this issue. The auto physical damage program has also had an increase in damages and the cost of replacement is more, so we're asking for a 39% increase in this program. The enterprise learning management system is a software program used to help train drivers. We have an administrator for this program and are not changing anything with this program but who gets billed for the program. The aviation program is a pass through. The Division passes these costs onto the entities and agencies that use the program. The cyber liability program, we would like to make this a pass through, there would be no increase for state agencies. However, there would be an increase for Higher Education. There is an error on the slide, in 2024 there is a 7 missing in the dollar figure.

Chair Maughan asked if there were any questions from the Committee, there were none. He asked if there were questions from the public, there were none.

Division of Technology Services – Alan Fuller, Director, gave an overview of DTS and the current challenges facing the division. Annie Cook, Finance Manager, discussed the benchmark analysis that was done in 2021. Annie mentioned that DTS has provided rebates to state agencies, and covered the compensation increases by increasing rates. This is not sustainable. Along with looking at rates process improvement another significant project is the new human capitol management and payroll system. There is a typo with the retained earnings slide and it should be $1.5m instead of the number listed. The current rate change recommendations are the application developer rate which will be moving from 8 tiers to 4 tiers to simplify the rate and billing for agencies. During FY 21 and 22, we were charging for public cloud rate at cost plus 25%, we will now be billing for actual costs. The communication and phone support will be decreasing. The computer support services will be increasing. Network services will have no change. Security Services have been hit hard and we are in a maintenance for many products where there have been increases. We want to change the model going from the number of servers to the number of devices. In the security assessment rate, we have increased the bandings to reduce the impact on agencies. For database services we will be slowing the decrease with Oracle and SQL and charging for actual costs. For hosting services, we want to clarify this and make billing simpler and have a team working on this. Print Services rates will be going down. Miscellaneous services include an application development platform rate. This is an area where we have technical debt and would like to buy versus build. For those agencies that would need to build we would like to focus on three areas: Service Now, Microsoft Power App and Salesforce. DTS would like to charge a rate of $15 per person per month per application. Nate Winters, Deputy Director, Department of Health and Human Services, asked about their applications and the cost. It's $15 per user per application and if you're using a multiple apps then you will be charged for each one. Alan Fuller said that agencies should standardize and it would cut costs. Duncan Evans, Managing Director, Governor's Office of Planning and Budget, asked about the licensing is this just for DTS users or will everyone be paying more for this. This is specifically for new applications developed in these platforms. Duncan said we're paying more for using the platform, what would the cost be depending upon the type of license.

Greg Paras, Deputy Director, Department of Workforce Services said they are moving to new development. Is there a per user licensing introductory period, i.e. a discounted rate that after a certain period of time will then balloon? Or will there be an enterprise rate or on-going rate? We shouldn't see balloon type increases and we want to work with the vendors so that costs are very clear. If this type of application development takes off then DTS might be able to negotiate with vendors for better pricing.

ACTION: DTS will provide costs by user type of software including legacy, new, and renewals, specifically SalesForce and ServiceNow. How will existing applications move to this model and what would the ongoing costs be (use cases).

Ty Howard, Deputy Director, Department of Environmental Quality, asked about the security assessment and the impact. It appears that most of the agencies carrying the burden of this increase are the smaller agencies. Will the alternative options DTS is looking in to make it more equitable for agencies? Annie Cook they were looking at cost per device costs and the impact would have gone up for the larger agencies and smaller agencies would be a bit lower. This information was provided to agency finance directors who did not want to absorb these costs into the security rate.

ACTION: DTS will provide an agency by agency cost by device for the Security Assessment rate.

Duncan Evans asked that we looked at ways to bundle more rates. Is this something that could be done with the security support, network, email and desktop rates? Why are we keeping them separate vs bundling? Where do we go from here and what can we bundle? Alan Fuller said that we've looked at this in many ways. We are close to having a proposal that would bundle these rates but won't be doing it this year. We want to go through the ISF audit with Moss Adams to see what their thoughts are on this. Nate Winters made a comment about the process in general, anytime that rates are increased so DHHS has to cut contracts and it does have an impact on the customers they serve. This is for all rates not just DTS.

Chair Maughan asked if there were further questions from the Committee, there were none. He asked if there were questions from the public, there were none.

Division of Human Resource Management – John Barrand, Director, provided an overview of the division. There is a 5% increase in the HR Services rate, 3% increase in Payroll, no change to Core HR. Retained earnings are going down and they are working on the new pay for performance program. Nate Winters asked about increases for LinkedIn, Indeed, etc. for employment recruiting. John Barrand said that agencies are spending more on these types of recruiting tools (centralize the contracts, decentralize the service) we're still waiting Moss Adams results to discuss. DHRM would like to have an Agile team to work on specific issues with agencies, i.e. Department of Corrections hiring for the new prison. Ty Howard said that it's a big move to increase costs for agencies that don't pay fees and provide service where it's needed, thank you for doing that. Duncan Evans mentioned that most agencies all got their money back on DHRM services, do agencies know that this available and do you know it's out there, how can we help. How do we keep things going and how do we build up our bench for specific areas, this is the next step in stretching our value and working together? John explained decentralizing and centralizing. Gary Harter said that DHRM are great to help them and ERIC is a great system. Recruiting

is getting better and that's because of the field teams. Chair Maughan said that they work closely with their field teams and seeing great candidates. Keeping teams with the agencies is really working. John B said that the agency leaders need to make the decisions that affect them.

Chair Maughan asked if there were further questions from the Committee, there were none. He asked if there were questions from the public, there were none.

Division of Facilities and Construction Management – Andy Marr, Associate Director, gave an overview of the increasing drivers for their division including service contract impacts, scope increases, compensation for staff retention and training and utilities. Andy then went over the individual increases for facility management. Ty Howard asked about consolidating state office space due to remote/telework. There is a push for agencies to get out of leased space, DFCM isn't involved directly with that part of the program. The Taylorsville State Office Building (TSOB) is our test ground for that. The Division has been asked for new types of support, i.e. event set-up and take-down audio-visual support and the new TSOB data center. Duncan Evans mentioned most rates are to get all of these funded, there are compensation needs. The State Development center is an example, there could be no funding for staff if the agency is getting funds for landscaping. Would we be able to discuss this with agencies and other leaders? Is there wiggle room to phase some of these things in. Andy said we have to look at ways to do more with what we have which is a challenge. If we can shape and adapt to serve agencies then we want to do that within scope. We don't want to ask for rate increases unless we have to. For USDC this is not a rate increase it's funding they have and it will be included. Nate Winters said that some of this is one-time costs, for equipment, could we see those items. Andy said that once a purchase is made then we might be able to adjust the rate but we can explore as we consolidate and look at common things within regions. Greg Paras asked about one-time costs on the project list there were a lot of projects for flipping the strip/xeriscaping. If some programs are healthy in retained earnings and that could be an option. HB121 funding requests could be an option for funding. Nate Winters asked about DHHS has asked for looking at consolidation, looking at lease spaces. Some of these spaces will need improvements and is there funding for this? Jim Russell, Director, said that they are hoping to be able to go to IGG for a funding mechanism for improvements on space to accommodate these requests. Nate Winters said some of this is one-time costs that could free up funding. Jim Russell said that we need to be able to capture savings in these areas.

ACTION: DFCM will provide one-time costs vs compensation.

Chair Maughan asked if there were further questions from the Committee, there were none. He asked if there were questions from the public, there were none.

Division of Fleet Operations – Cory Weeks, Director, gave an overview of the division. The Division is only asking for changes to motor pool rates. Shared motor pools are being used more. Cory went over the requested rate changes. He then explained that they want to simplify their rate structure. Gary Harter said thank you for the great work from the Fleet team.

Chair Maughan asked if there were further questions from the Committee, there were none. He asked if there were questions from the public, there were none.

Division of Purchasing & General Services – Windy Apayrath, Director, provided an overview of the division. Gary Harter asked as we continue to work at home and more things are online how does this affect your division. Overall telework has been taken into consideration, i.e. state mail. Now that there is a hybrid model we are trying to be more strategic and more efficient. The Division is also looking at copiers as well and this is being included in the future forecasts. Chair Maughan asked about surplus property as offices are closing. The Labor Commission has a mountain of surplus furniture that is difficult to get rid of. Windy said that we do have a useful life policy that we have to look at. The State is great a using everything to the end of life. We are looking at this, working more with agencies and trying to be more proactive in this area.

Chair Maughan asked if there were further questions from the Committee, there were none. He asked if there were questions from the public, there were none.

Division of Finance – Janica Gines, Director, provided an overview of the division. We are recovering from the travel dip prior to the pandemic and currently there are no changes to the travel agency rate. The purchasing card program is generally funded by the rebate program. We sent out the rebate to political subdivisions. Purchasing cards are being used more and the average spend is increasing. A request for proposal was done for a travel and expense reporting system, this was awarded to SAP Concur. The Division is working to finalize the contract and they estimate a 6-month implementation. This implementation will take a lot of agency input. This will be rolled out in phases, hopefully around April 2023. We continue to streamline and simplify the policies, some of this is on hold due to the new system. Ty Howard asked about the inconsistency with air travel, is there an increase on staff with this. Janica said travelers are supposed to work with the travel agent on rebooking trips that are delayed or canceled. We need to do a better job with staff on this item. There have been no conversations about increasing rates from our travel agent.

Chair Maughan asked if there were further questions from the Committee, there were none. He asked if there were questions from the public, there were none.

Further Committee Business
Chair Maughan said we will hold next week's meeting virtually, we will concur with the AG's office to ensure this is possible.

Meeting Adjournment
Nate Winters motioned to adjourn the meeting, Duncan Evans seconded the motion and the group approved.