



State of Utah

SPENCER J. COX  
Governor

DEIDRE M. HENDERSON  
Lieutenant Governor

## Department of Government Operations Executive Director's Office

MARVIN DODGE  
Executive Director

DAVID DYCHES  
Deputy Director

MARILEE P. RICHINS  
Deputy Director

### Agenda

#### Department of Government Operations Internal Service Fund Rate Committee Meeting for FY27 Rates

**DATE:** Thursday, June 11th, 2026  
**TIME:** 9:00 AM – 12:00 PM (or until adjourned)  
**PLACE:** Virtual Google Meet: [meet.google.com/bnq-ufaq-mbj](https://meet.google.com/bnq-ufaq-mbj)  
Anchor Location: Taylorsville State Office Building (TSOB)  
Goblin Valley Meeting Room (3rd Floor)

1. **Committee Business:**
  - a. Welcome
  - b. Review Meeting Protocols
  - c. Approval of minutes from September 11th, 2025 committee meeting
  
2. **Presentation by GovOps Internal Service Funds Divisions**
  - a. Modified FY2027 ISF rate proposals  
Jake Hennessy, Executive Finance Director
    - Enterprise Business Solutions (Vantage - HCM)
    - Division of Technology Services
    - Division of Facilities Construction and Management
    - Committee Comment
    - Public Comment
    - **Action items** – Vote on FY2027 modified rates
  
  - b. Policy Discussion
    - General Items: Bundling vs Unbundling rates  
Jake Hennessy, Executive Finance Director
    - Division of Technology Services  
Alan Fuller, Chief Information Officer  
Brandi Frandsen, Finance Director
    - Division of Facilities Construction and Management  
Brandon Andersen, Assistant Director of Facilities  
Eric Grant, Finance Director

- Division of Human Resource Management & Vantage
  - Greg Hargis, Assistant Director
  - Marie Loosle, Financial Manager II
  - Amie Hughes, Information Technology Director II
  - Marissa Cook, Finance Director
- Division of Finance
  - Van Christensen, Division Director
  - Amanda Hensley, Accountant
- Public Comment
- Discussion of Future Agenda Items

### **Committee Members**

Duncan Evans, Senior Managing Director of Budget and Operations, Governor's Office of Planning and Budget

Greg Paras, Deputy Commissioner, Utah Department of Workforce Services

Jeff Mottishaw, Director of Finance and Administrative Operations, Utah Department of Corrections

Melanie Henderson, Finance Director, Department of Agriculture and Food

Nate Winters, Deputy Commissioner, Department of Health and Human Services

Tenielle Humphreys, Finance Director, Utah Department of Cultural and Community Engagement

**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.

## **Department of Government Operations Rate Committee Meeting**

**September 11, 2025**

**Tuachan A**

**9:00-3:00**

**Committee Members:** Chair Nate Winters, Greg Paras, Tenielle Humphreys, Jeff Mottishaw, Melanie Henderson, Devin Cook, Duncan Evans

**Attendees:** Tim Cornia, Annie Cook, Bryan Brown, Collin Peterson, Jody Fornelius, Kathy Clements, Kristen Mar, Leno Franco, Tyrel King, Marilee Richins, Jamie Rasmussen, Kate Layton, Jared Jensen, Marnie Davis, Dani McCarrel, Todd Rasmussen, Olivia Sutton, Priscila Self, Sarah Preece, Shara Hillier, Stephanie Martin, Taylor Kauffman, Tiffany Fornelius, Troy Black, Veronica Li, Paul Korth, Nathan Harrison, Jeff Hymas, Mark Yeschick, Cory Weeks, Chloe Toledo, Audrey Crowton, Sarah Smith, Sara Kristensen, Stephanie Thomas, Stephanie Weteling, Shancie Nance, Camrell Herrea, Marie Loosle, Wen Zhai, Patrick Funk, David Dyches, Marvin Dodge, Dana Gauthier, Elizabeth Herrera, Sean Faherty, Brandi Fransen, Alan Fuller, Marissa Cook, Sienna Ishii, Andy Marr, Brandon Andersen, Jake Hennessy

Nate Winters, Chair of the GovOps Rate Committee, went over a few business items with the committee. He reminded them of the letter from Chief Jon Pierpont and reminded them of their responsibility as rate committee members. He then asked for introductions of the Rate Committee members.

Chair Winters asked for a motion on the minutes from the August 14, 2025 Rate Committee Meeting. Tenielle Humphreys motioned to approve the minutes, Greg Paras seconded the motion and it was unanimously approved.

Marvin Dodge, Executive Director/Department of Government Operations then provided an overview of the department. He thanked everyone for their participation and hard work on this process. He explained the inherent difficulties in setting rates, noting that the Department of Government Operations often aims to avoid excessive retained earnings by proposing rates that may not fully cover costs in certain years, leading to adjustments in subsequent periods. He referenced past issues like "snowageddon" in 2023, which continues to impact recovery efforts. Jake Hennessy, Finance Director/Department of Government Operations further elaborated on the timing challenges, highlighting the difficulty of forecasting costs for fiscal year 2027 while preparing rates in 2025, comparing it to budgeting for future grocery needs with unknown variables.

Jake provided an overview of Internal Service Funds (ISFs), explaining that they centralize services to improve efficiency and standardization across state agencies. He also detailed the annual ISF rate setting process, which begins after the legislative session concludes in March, with agencies analyzing costs, working with vendors, and forecasting expenses through June. During July and August, intensive internal meetings occur to trim costs with the goal of

presenting a truly representative rate to the committee in September. The committee's approved rates then go through further review by GOPB and LFA, subcommittee presentations in January, and ultimately result in the fee bill in March. Jake mentioned that all divisions, except the Division of Fleet, would be requesting rate changes. The Division of Fleet found internal savings allowing them to avoid a rate increase, although they would still present their information. He also informed the committee that the presented numbers do not include potential rate increases for compensation packages from the past legislative session, meaning a second rate committee meeting might be necessary in June.

**Division of Facilities and Construction Management (DFCM):** Brandon Andersen presented the DFCM rates including cost comparisons with other local and national entities. Nate Winters asked if increased costs are regarding staff working more from home. DFCM has had to migrate to a new radio system, the state had an incredible snow year and the volatility in utilities which has created higher costs.

Brandon Andersen reviewed the proposed rate adjustments for the new and existing programs. Duncan Evans asked about the historical costs for the buildings. There is the programming number and then an adjusted rate once the building comes online. Duncan said these are significantly higher and DFCM has said that they wouldn't increase costs or the cost would be the same - how do we avoid this? Andy Marr, Director/DFCM said that he will task his team to look at this issue. Jeff Mottishaw asked about non-DFCM maintained buildings - who is better suited to care for specific buildings and currently there's no mechanism to fund those costs. DFCM has data to look at for these costs and we will be working with customers on these issues.

Andy Marr discussed the ten (10) proposed corrections centers and proposed costs for what it would take to maintain these facilities. This would be a large program for DFCM to absorb and it would be a shift for DFCM to maintain. Jeff Mottishaw explained that these are halfway houses and there are six of these centers across 3 counties and the other buildings are more traditional maintenance type spaces. Currently UDC has 6 staff that maintain these buildings and DFCM would be a great solution for them to help with this. These facilities are in extremely poor condition and it isn't good for the people that need to live there. This is the funding that DFCM would need and then UDC would talk with GOPB for the remainder of the funding.

DFCM presented the rate cost drivers for the FY27 rates. There was a large increase in property insurance. Rocky Mountain Power will be watched closely as they are trying to raise rates and this could be a large cost increase. RMP sued the State of Wyoming and won, they are doing the same in Utah. How do we want to address universal costs - cost centers may not be the way to look at these and we want to get away from cost center deficits. DFCM will be looking at this internally. There are 50 buildings with adjustments.

Melanie Henderson asked about UDC buildings - would UDC be paying those rates - yes those are UDC rates only.

Chair Winters asked for any further information from the public, there was none

Melanie Henderson motioned to approve the DFCM, Jeff Mottishaw seconded the motion and a roll call vote was taken and the motion passed.

Jeff Mottishaw explained that UDC has been working with DFCM to look at actual costs for the prisons - SLC prison and Gunnison prison. Is the ISF a model for funding these facilities? Jeff Mottishaw said that for years UDC would maintain the prison facilities - this is a different kind of facility than what DFCM is used to maintaining. UDC has asked their legislative committee for funding and they will not discuss the operation and maintenance for the prisons. Is it appropriate for DFCM to bring this forward as a rate? DFCM has been helping with the research and discussion for this issue. Jeff also explained the need for a different process. However, there are some large infrastructure issues with many of the UDC buildings - is there a mechanism that we can create to help with this and the requests get to GOPB and the LFA. It would be good for this to be a rate through DFCM and then it follows the same path as DFCM rates. UDC would relinquish their delegation and it would go through DFCM. Andy Marr said that this would be a new frontier for DFCM - there are some challenges and these are state facilities and DFCM needs to help take care of them. Delegation probably shouldn't be relinquished by UDC but DFCM could help with the process - successful ongoing maintenance can help with this and we work together to maintain the facility - it was determined this is a discussion for the Legislature and the Governor's office.

Tenielle Humphreys asked if there are other facilities that do this - Andy said that yes DHHS, DNR and National Guard maintain their own facilities. Providing accurate information/data is the first step to the legislative process - there would be a desire with some of the agencies to follow the same path. Melanie Henderson said we would need to look at examples from an agency to see how it works. There are some funding challenges (federal, general fund, dedicated funding). Devin Cook asked if this would add to the burden that DFCM already has. Marvin Dodge said that we are partners with all state agencies and because of escalating costs we have begun these conversations and we accept responsibilities for these issues as well. This is part of the complexity of the space we live in. We commit to do this and we will come up with solutions.

Chair Winters asked for any further comments on this issue and there were none.

**Division of Technology Services (DTS):** Alan Fuller, CIO and Director/DTS, provided an overview of the services that DTS provides and many of the challenges that they have faced in the past year. Brandi Fransen, DTS Finance Director, discussed the retained earnings mentioning these are adjusted - retained earnings are capped at 45 days - it's used for on demand changes, rate shortfalls and cost variability. Retained earnings have gone down to a little less than \$3m. Brandi went over the user rate which includes: Google email and collaboration tools, security support, Adobe Pro/Sign and Active Directory licenses.

Melanie Henderson asked if employee movement has impacted these rates - the user rate is the biggest rate - she asked how can we get more value out of Google workspace? DTS is working on rebuilding the Google team. AI (Gemini) has been included with Google workspace. We are also spending over \$1m per year on Microsoft as well. We would like to see a reduction in the use of Microsoft. Jeff Mottishaw asked about hosting rates, will those be increasing, breakdown is provided - what are the fixed costs and why can't those change? VMware costs are going up with less need - DTS is looking for alternatives for that product. The rate needs to shift more to the cloud - however we can't decrease personnel because they are needed for the services that have migrated to the cloud.

Chair Winters asked the committee for discussion; there was none

He also asked for public comment; there was none

Greg Paras motioned to approve the DTS rates, Jeff Mottishaw seconded the motion and the committee approved.

**Division of Purchasing and General Services:** Windy Aphayrath, Director of Purchasing and General Services, discussed the cooperative contracts program. They are currently working on the service portal to provide better information - general fund allocations for this program were removed for 2025. The print services program (copiers) is continuing to sunset and will be completely shuttered by June 2027 and agencies will work directly with the contractor. The state surplus program has returned nearly \$4 million to agencies and saved Utah law enforcement agencies over \$2 million through the Department of Defense's 1033 program. The mail and distribution services saved approximately \$2 million in cost avoidance by processing state mail internally, handling about 17 million pieces last year. This program recently acquired two new pieces of equipment, totaling just under \$2 million, which have significantly expedited job processing. Due to increases in personnel and vehicle costs with the State Mail program, the courier rates, which haven't changed since 2014, are set for adjustment. Windy explained that the proposed increase of just over \$350,000 total would be split among agencies using shared stops, with individual stops bearing the full impact.

Chair Winters asked for committee discussion; there was none

He then asked for any from the public; there was none.

Jeff Mottishaw motioned to approve Purchasing and General Service rates, Devin Cook seconded the motion and the motion carried

**Division of Fleet Operations:** Cory Weeks provided an overview of Fleet Operations - Chair Winters asked if state agencies are told the percentage of fuel network usage - They are and staff need to know where fueling locations are so that they can take advantage of them - employees can save the Fleet map to Google Maps to find locations. If you use Fleet agencies

don't incur costs through the Concur travel booking system. Fleet Operations had no rate changes for FY27.

Chair Winters asked for comment from the Committee; there was none

He then asked for public comment; there was none.

Tenielle Humphreys motioned to approve the current Fleet Operations rates, Melanie Henderson seconded the motion and the motion carried.

**Division of Human Resource Management (DHRM):** Greg Hargis, Assistant Director/DHRM, detailed DHRM's HR service model, which consists of field services embedded in agencies and a field support center providing specialized day-to-day support. He also discussed efforts to centralize transactional tasks like FMLA processing, which has already been successfully piloted with 10 agencies, freeing up field staff for more value-added work. They are also exploring centralizing recruiting for high-volume or entry-level jobs to improve efficiency. Greg then presented the proposed rates for DHRM's three main services: field rate, core services, and Pay for Performance (P4P) services. He confirmed that there is no proposed increase in rates; instead, there is a recommended decrease in the field rate based on forecasted headcount numbers, which allows for better alignment of the rate with current headcount figures. Jake Hennessy also noted the elimination of the payroll rate, as those services have been moved to the new Vantage system.

Chair Winters asked for any committee discussion - Melanie Henderson asked about headcount lite - Jake Hennessy explained the difference between calculating rates based on capped FTE (full-time equivalent) versus headcount. He clarified that while the rate per FTE might appear to increase due to a smaller denominator, the overall revenue charged to agencies would still decrease by \$1.8 million. He noted that the FTE calculation considers actual hours worked, capped at one, which benefits agencies with seasonal employees, while headcount charges a full-year rate regardless of hours worked. He also explained the "headcount light" model, where employees working under 40 hours or no hours are not included in the headcount number, which also excludes board members. He clarified that this model aims to align rates with actual costs and prevent some agencies from subsidizing others due to eliminations. He also introduced Vantage, a new project to replace HR and payroll systems, highlighting its benefits like a single platform and increased agility for future adjustments.

Devin Cook asked for the fixed one time per year billing - DWS is billed quarterly - Chair Winters explained the reasoning behind this request.

Chair Winters then asked for any public discussion; there was none.

Tennielle Humphries motioned to approve headcount lite - she rescinded her motion until the next presentation which will provide more information regarding the use of headcount vs FTE -

**Enterprise Solutions (EDO):** Amie Hughes provided an overview of the Vantage program. This project is aligning Finance, DHRM and DTS and allows the ability to make changes easier. The cost could align more with an FTE count vs headcount. Tennielle Humphries said If it makes more sense to have 2 different rates then we should do that - we want to be more consistent - if the cost doesn't change then why does it matter - there are winners and losers in each scenario - Marvin Dodge said this would be a larger impact on agencies - If it makes no difference on the cost of onboarding and offboarding an employee then the count doesn't matter - Duncan Evans said that budget decisions are being made based on rates - another extreme is the turnover rate in some other agencies (DABS, UDC & DNR) - does the lite account for the employee - the denominator then changes - there will always be winners and losers but we are looking for a best practice.

Duncan Evans asked since HR and Payroll are moving to Vantage, VPN requirements are going to also going to create costs as well - Amie Hughes said that when Performance Management went live there were issues with the VPN access - that is going away - the SSO will still be in place so there would be no need to be on the VPN as well.

Tennielle Humphries asked the committee if we want the HR and Vantage the same - Duncan Evans said he would like them to be the same and billed at the same time.

There was no public comment.

Tennielle Humphries motioned to approve all DHRM rates and the headcount lite as they are written in the packet - Devin Cook seconded the motion - the committee approved and the motion carried

**Division of Risk Management:** Rachel Terry, Director/ Risk Management and Audrey Crowton, Finance Director/Risk Management, provided an overview of the Risk Management program and the efficiencies that they have provided for state agencies. With the creation of a captive insurance program, which means Risk Management now owns insurance companies and has increased their risk retention. They reported cost avoidances of \$6 million in 2025 and \$7.3 million for 2026, and also noted increased earthquake coverage and renegotiated market terms that saved nearly another million dollars.

Rachel and Audrey reviewed all of the Risk Management rate programs. We are insuring more charter schools as it's getting harder for them to get insurance - there is still volatility since 2020 and it is not going down. Higher Ed has some very complicated and big cases which will cause increases. Auto rates are also going up. Worker's compensation, the Higher Ed Aviation programs, cyber liability and commercial auto insurance are all pass throughs.

Chair Winters asked for discussion from the committee; there was none

He also asked for discussion from the public; there was none.

Greg Paras motioned to approve the Risk Management increases, Melanie Henderson seconded the motion and the motion carried.

**Division of Finance:** Van Christensen provided an overview of the finance programs. He explained that they are optimizing the Concur system. The Pcard rebate program which is calculated based on total dollar spend and payment speed to US Bank, and State Finance aims to optimize this rebate by paying quickly and billing agencies promptly. There is a proposed change in strategy regarding the \$18 state finance fee for travel bookings, effective FY26. They explained that the existing fee structure, combined with the \$8 Christopherson fee, often resulted in higher costs for in-state hotel bookings through Concur compared to direct booking. The new proposal is to move the \$18 fee, which would be reduced to \$6, to when the reimbursement request is submitted in SAP Concur, where the real value of the system is perceived to lie, rather than at the time of booking. A proposed \$6 fee, charged at the time of reimbursement, is expected to incentivize fewer but more consolidated reports, helping agencies stay below SAP's per-report charge threshold. It was also highlighted that issuing more P-Cards could increase PECARD spend, leading to a higher rebate and potentially lowering the \$6 fee. This shift is projected to save state agencies over \$80,000, primarily by eliminating the CBT booking fee for in-state travel.

Chair Winters asked for discussion from the Committee - Duncan Evans asked about the 58,000 reports and how many expense reports each agency uses - we've used 34,000 - Greg Paras asked about all of the different Concur approvals currently needed for travel and if Concur is fixed or are we still working through issues - The ETA on approvals fix is approximately 3 months

Nate asked for discussion from the public; there was none.

Devin Cook motioned to approve the Division of Finance as presented, Jeff Mottishaw seconded the motion and the motion carried.

It was noted, regarding the possibility of a committee meeting after the session in June to discuss compensation, and suggested that other ideas mentioned during the meeting, such as a single rate for all or building management delegations, be discussed in a broader conversation in the spring. The committee agreed that policy discussions should be held in the spring.

Jeff Mottishaw motioned to adjourn the meeting.

## Department of Government Operations

### FY 2027 Impacts for Revised Rates

The Department of Government Operations (DGO) is requesting rate changes for those Internal Service Fund (ISF) programs identified at the top of the table columns. The proposed changes will impact agencies as indicated below. The rates for other DGO ISF programs are not changing.

Sum of Rate Impact	DGO Divisions			Grand Total
	HCM	DTS	DFCM	
State Agency	\$124,900	\$6,509,691	\$455,612	\$7,090,203
011 Senate	\$100	\$0	\$0	\$100
012 House of Representatives	\$200	\$0	\$0	\$200
014 Legislative Research & General Counsel	\$300	\$4	\$0	\$304
015 Legislative Fiscal Analyst	\$100	\$109	\$0	\$209
016 Legislative Auditor General	\$200	\$0	\$0	\$200
017 Legislative Services	\$100	\$0	\$0	\$100
020 Judicial Branch	\$4,400	\$492	\$57,681	\$62,573
030 Capitol Preservation Board	\$200	\$2,438	\$76,546	\$79,185
050 State Treasurer	\$200	\$5,867	\$688	\$6,755
060 Governor's Office	\$1,200	\$177,066	\$0	\$178,266
063 Governor's Office of Economic Opportunity	\$700	\$17,359	\$0	\$18,059
080 Attorney General	\$2,000	\$14,827	\$0	\$16,827
090 Utah State Auditor	\$200	\$4,881	\$0	\$5,081
120 Tax Commission	\$3,700	\$342,302	\$18,796	\$364,798
130 Career Service Review Office	\$0	\$669	\$0	\$669
150 Dept of Government Operations	\$8,000	\$623,751	\$6,033	\$637,784
170 Navajo Trust Administration	\$100	\$3,454	\$0	\$3,554
180 Dept of Public Safety	\$5,800	\$479,837	\$10,122	\$495,760
190 Utah National Guard	\$1,800	\$8,242	\$0	\$10,042
250 Dept of Health and Human Services	\$34,700	\$1,830,386	\$138,991	\$2,004,078
400 Utah State Board of Education	\$4,900	\$464	\$5,929	\$11,293
410 Dept of Corrections	\$13,600	\$358,802	\$3,611	\$376,013
430 Board of Pardons & Parole	\$200	\$31,194	\$0	\$31,394
450 Dept of Veterans & Military Affairs	\$200	\$11,047	\$5,418	\$16,665
480 Dept of Environmental Quality	\$2,200	\$144,794	\$5,826	\$152,820
510 Utah Board of Higher Education	\$0	\$0	\$0	\$0
540 School & Institutional Trust Fund Office	\$0	\$1,930	\$0	\$1,930
550 School & Institutional Trust Lands Admin	\$400	\$1,440	\$0	\$1,840
560 Dept of Natural Resources	\$9,500	\$304,110	\$21,157	\$334,767
570 Dept of Agriculture & Food	\$1,900	\$88,486	\$0	\$90,386
600 Dept of Workforce Services	\$11,600	\$1,157,984	\$23,211	\$1,192,795
650 Dept of Alcoholic Beverage Services	\$5,600	\$176,872	\$74,092	\$256,565
660 Labor Commission	\$600	\$69,587	\$0	\$70,187
670 Dept of Commerce	\$1,900	\$113,443	\$0	\$115,343
680 Dept of Financial Institutions	\$300	\$7,298	\$0	\$7,598
690 Dept of Insurance	\$500	\$37,023	\$966	\$38,489
700 Public Service Commission	\$100	\$3,652	\$50	\$3,802
710 Dept of Cultural and Community Engagement	\$1,500	\$38,342	\$6,493	\$46,335
810 Dept of Transportation	\$5,900	\$451,324	\$0	\$457,224
930 Utah Communications Authority	\$0	\$0	\$0	\$0
962 Inland Port Authority	\$0	\$0	\$0	\$0
964 Point of Mtn St Land Authority	\$0	\$215	\$0	\$215
Other	\$0	\$6,716	\$2,569	\$9,284
NS Non-State	\$0	\$6,716	\$2,569	\$9,284
<b>Grand Total</b>	<b>\$124,900</b>	<b>\$6,516,407</b>	<b>\$458,181</b>	<b>\$7,099,488</b>



# Department of Government Operations

## Revised Rates for Compensation Adjustments & Policy Discussion

Jake Hennessy  
Executive Finance Director  
June 11, 2026

# Why are we here today?

- ▷ Adjust FY27 ISF rates for the compensation package that was approved in the 2026 General Session. The following divisions will be adjusting rates:
  - Enterprise Business Solutions (Vantage - HCM)
  - Division of Technology Services
  - Division of Facilities Construction and Management
  
- ▷ Have a Policy Discussion of follow-up items from last rate committee along with additional policy items to get guidance from rate committee as we start preparing FY28 ISF rates. The following divisions will be included in the policy discussion:
  - Division of Technology Services
  - Division of Facilities and Construction Management
  - Division of Human Resource Management & Vantage
  - Division of Finance

# Summary of Compensation Package

## FY2027 - SB 8 S1 (2026 GS)

- ▷ 2.5% COLA for state agency employees (ongoing)
- ▷ 1% Pay for performance (one-time)
- ▷ Other benefit adjustments

ISF divisions that are proposing rate changes due to compensation adjustments are due to directly charged employees and allocated overhead costs.

Total GovOps ISF rate modifications for FY 2027 = **\$7.1 Million**

# GovOps ISF Rate Adjustments - Compensation

# Rate Adjustments

---

## Enterprise Business Solutions (Vantage - HCM)

Rate Name	FY27 Approved Rate	FY27 Modified Rate with Compensation	Dollar Change	Units
Vantage	\$208.19	\$211.25	\$3.06	Per headcount/year
Vantage Plus Payroll	\$61.86	\$63.65	\$1.79	Per headcount/year

Total modified increase = **\$124,900**

---

## Division of Technology Services

---

### Seat Rates

Rate Name	FY27 Approved Rate	FY27 Modified Rate with Compensation	Dollar Change	Units
User Rate	\$47.10	\$47.84	\$0.74	Email/Month
Device Rate	\$206.20	\$212.91	\$6.71	Device/Month

---

### Application Developer Rates

Tier 1	\$91.02	\$95.34	\$4.32	Hour
Tier 2	\$105.01	\$109.98	\$4.97	Hour
Tier 3	126.45	\$132.53	\$6.08	Hour
Tier 4	144.37	\$151.31	\$6.94	Hour
Intern	25.50	\$26.43	\$0.93	Hour

## Communication and Phone Services

Rate Name	FY27 Approved Rate	FY27 Modified Rate with Compensation	Dollar Change	Units
Business Phone Line VoIP	\$23.35	\$24.24	\$0.89	Line/Month
Toll Free Usage	\$0.0246	\$0.0247	\$0.0001	Minute
Contact Center	\$45.31	\$46.90	\$1.59	Core License/Month
Mobile Technician Labor	\$106.50	\$111.68	\$5.18	Hour

## Computer Support Services

DaaS Citrix/GCP	\$59.28	\$60.43	\$1.15	Device/Month
-----------------	---------	---------	--------	--------------

## Database Services

Database SQL	\$11.80	\$12.29	\$0.49	GB/Month
--------------	---------	---------	--------	----------

## Hosting Services - Private Cloud

Processing CPU	\$52.94	\$53.97	\$1.03	CPU/Month
Memory	\$9.17	\$9.35	\$0.18	GB/Month
General Purpose Storage	\$0.0703	\$0.0725	\$0.0022	GB/Month
Back-up Services	\$0.1202	\$0.1223	0.0021	GB/Month



## Division of Facilities Construction and Management

Rate Name	FY27 Approved Rate	FY27 Modified Rate with Compensation	Dollar Change	Units
Capitol Hill Complex	\$5,152,052.07	\$5,228,552.70	\$76,500.63	Per Unit
Alcoholic Beverage Services Stores	\$2,754,414.00	\$2,810,330.94	\$55,916.94	Per Unit
DWS Administration	\$869,317.00	\$876,569.33	\$7,252.33	Per Unit
Office of Education	\$535,309.00	\$541,237.65	\$5,928.65	Per Unit
Ogden Regional Center	\$985,135.09	\$992,448.47	\$7,313.38	Per Unit
Ogden Juvenile Probation	\$211,134.00	\$218,969.22	\$7,835.22	Per Unit
Ogden Courts	\$844,688.00	\$854,326.55	\$9,638.55	Per Unit
DWS Ogden	\$226,748.00	\$229,868.34	\$3,120.34	Per Unit
Public Safety - BDO	\$46,822.00	\$47,433.71	\$611.71	Per Unit
State Crime Lab	\$53,325.00	\$54,005.11	\$680.11	Per Unit
Layton Courts	\$215,896.00	\$218,338.84	\$2,442.84	Per Unit
DHS Clearfield	\$187,306.00	\$190,226.37	\$2,920.37	Per Unit

<b>Rate Name</b>	<b>FY27 Approved Rate</b>	<b>FY27 Modified Rate with Compensation</b>	<b>Dollar Change</b>	<b>Units</b>
DWS-Clearfield/Davis County	\$268,045.29	\$271,701.72	\$3,656.43	Per Unit
Farmington Courts	\$781,796.00	\$792,838.50	\$11,042.50	Per Unit
Ogden Public Safety	\$136,964.00	\$138,833.05	\$1,869.05	Per Unit
Clearfield Warehouse C6 - Archives	\$215,411.40	\$218,712.36	\$3,300.96	Per Unit
Box Elder Brigham City Public Safety	\$146,705.00	\$148,046.52	\$1,341.52	Per Unit
Provo Regional Center	\$940,462.06	\$954,846.32	\$14,384.26	Per Unit
Orem Public Safety	\$150,640.00	\$153,468.68	\$2,828.68	Per Unit
DNR Price	\$167,625.00	\$170,308.55	\$2,683.55	Per Unit
Price Public Safety	\$110,897.00	\$112,243.68	\$1,346.68	Per Unit
Payson VA Nursing Home	\$269,105.70	\$274,510.97	\$5,405.27	Per Unit
Office of Rehabilitation Services	\$337,416.00	\$342,248.56	\$4,832.56	Per Unit
Cannon Health	\$1,010,515.00	\$1,024,713.24	\$14,198.24	Per Unit

<b>Rate Name</b>	<b>FY27 Approved Rate</b>	<b>FY27 Modified Rate with Compensation</b>	<b>Dollar Change</b>	<b>Units</b>
Utah State Library	\$286,749.53	\$296,038.53	\$9,289.00	Per Unit
DEQ Building	\$143,867.72	\$146,623.17	\$2,755.45	Per Unit
Utah State Tax Commission	\$1,200,200.00	\$1,215,908.65	\$15,708.65	Per Unit
Tooele Courts	\$419,051.00	\$424,618.97	\$5,567.97	Per Unit
Salt Lake Government Building #1	\$1,132,934.00	\$1,145,965.65	\$13,031.65	Per Unit
Alcoholic Beverage Services Administration	\$1,079,951.92	\$1,098,127.42	\$18,175.50	Per Unit
Vernal DNR Regional	\$105,254.38	\$121,192.25	\$15,937.87	Per Unit
Vernal DHHS	\$74,117.00	\$79,657.79	\$5,540.79	Per Unit
West Jordan Courts	\$677,835.00	\$687,705.86	\$9,870.86	Per Unit
Richfield DNR Cache Warehouse	\$24,606.44	\$25,043.37	\$436.93	Per Unit
Manti Bishop's Storehouse	\$10,150.00	\$10,628.42	\$478.42	Per Unit
DWS St. George	\$96,452.00	\$97,712.80	\$1,260.80	Per Unit

Rate Name	FY27 Approved Rate	FY27 Modified Rate with Compensation	Dollar Change	Units
St. George DPS	\$87,572.00	\$88,962.84	\$1,390.84	Per Unit
St. George Tax Commission	\$79,224.00	\$80,556.92	\$1,332.92	Per Unit
St. George Courts	\$843,938.00	\$854,742.39	\$10,804.39	Per Unit
DNR Cedar City	\$122,790.16	\$124,494.81	\$1,704.65	Per Unit
Department of Government Operations Fleet & Surplus Property (Taylorsville)	\$152,996.00	\$153,774.53	\$778.53	Per Unit
Lone Peak Forestry & Fire Admin Building	\$101,675.00	\$102,068.75	\$393.75	Per Unit
Utah State Developmental Center	\$3,348,950.00	\$3,445,621.09	\$96,671.09	Per Unit

Total modified increase = **\$458,181**

# Rate Committee Action

Action to Approve Modified FY27 ISF Rates	Slide Number or Reference	Change (rounded)
Enterprise Business Solutions (Vantage - HCM)	5	\$124,900
Division of Technology Services	6-8	\$6,516,407
Division of Facilities Construction and Management	9-12	\$458,181

# Policy Discussion

# General Items

## Bundling vs Unbundling rates

### Bundling Rates

<b>Pros</b>	<b>Cons</b>
<b>Budget Predictability:</b> It's simpler for customer agencies to budget for ISF rates (e.g. SEAT rate combining multiple rates into one allows for simpler budgeting).	<b>Perceived "Forced" Buying:</b> Customers feel they are paying for services they don't actually use or want.
<b>Administrative Simplicity:</b> Reduces the volume of lines on billing and simplifies accounting for both ISF programs and the state agencies and customers.	<b>Subsidization:</b> The more we bundle rates, the greater the chance of subsidization amongst customer agencies.

**Rate Committee Action Item:** Recommendation & review time frame

# Division of Technology Services

## Rate Committee Policy Items:

1. Overall rate changes
2. Smooth step rate increases - what does this look like?
3. Cost plus model for cloud computing

## Policy Items Proposed by DTS:

1. Billable Percentage for Application Developer Rate - FY 28

## Any Other Items

# Overall rate changes

- Concerns: AI Impacts, National Security Vulnerability, Inflation
- Bundling vs unbundling
- DTS internal expense review
- Deep dive

Decisions coming from rate committee, expense review, and deep dive will further guide.

# Budgeting for smooth step increases

Contracts are multi-year escalation contracts and rates are calculated using the actual annual amount, therefore increasing rates annually.

Consider budgeting a per year average of the total contract amount

Pros:

- Rate predictability

Cons:

- Potential of less flexible available fund balance
- Administrative burden of deferring unearned revenue
- Federal period of availability considerations

# Smooth Step Contract Example

## Google Workspace

State Fiscal Year	Contract Year	Annual Contract Amount	Unearned Revenue	Unearned revenue balance
FY 25	Year 1	\$2,203,500	\$566,800	\$566,800
FY 26	Year 2	\$2,522,000	\$248,300	\$815,100
FY 27	Year 3	\$3,042,000	-\$271,700	\$543,400
FY 28	Year 4	\$3,042,000	-\$271,700	\$271,700
FY 29	Year 5	\$3,042,000	-\$271,700	\$0

Average      \$2,770,300

Increase	
Year 2	\$318,500
Year 3	\$520,000
Year 4	\$0
Year 5	\$0

# Current Cloud Infrastructure Rate

**Rate description:** The rate covers the full lifecycle support for enterprise public and private hosting (servers) infrastructure, including installation, deployment, maintenance, and technical assistance.

- **What is included in the rate:**

The cloud infrastructure rate covers the personnel and resources essential for comprehensive cloud governance, including the necessary separation of duties to meet all auditing requirements.

Cloud Infrastructure personnel are responsible for providing account, subscription, and project-level access, support, and adherence to standards for DTS DevOps and developer staff.

**Currently billed per application developer hour**

# Proposed Change to Cloud Infrastructure Rate

Increase the existing rate, and conversely reduce on premise hosting rates.

- Streamlines personnel expenses for hosting platform support (public and private cloud infrastructure) into one rate. The proposal does NOT increase the overall Hosting budget, but rather reduces variability, and **consolidates** costs into a **centralized rate**, for simplicity and greater accuracy. Enterprise Hosting personnel perform functions in all public and private cloud infrastructures simultaneously.

## Benefits of a centralized rate

- Having a structured rate to fund costs of providing service
- Ensure Hosting continues to be properly staffed and ready to support all public and private clouds (**number of staff remain the same**)
- Build better support across products by enabling better cohesion of team functions within one product group per product
  - Enable DTS to build better standards and governance with more flexibility in technologies employees work on
- Drastically reduces on premise rates, as all personnel expenses will be moved, and the on premise rate will only fund hardware and software costs
  - Can more easily look at the concept of on-premise server rate bundling in the future
- Provide agencies with continued enterprise hosting support in any cloud platform they choose
- Provide simpler support options built around infrastructure products

# Billing Metric Considerations

- Continue with the developer rate
- Analysis of allocating by cost by percentage of spend across both private and public cloud (consistent with TAM support, Cloudability)
- Per Application
  - This would be a future consideration.
    - On-premise servers lack tagging. The Configuration Management Database (CMDB), which is needed to provide this, is incomplete and requires over a year to finish

## Billable Percentage - Application Developer Rate

Current billable percentage: 84%

- Consider lowering billable percentage to include legislative changes such as four hours of additional holiday pay and 2026 GS S.B. 229 State Employee Benefit Amendments

Impacts:

- Increase to the rate but reduction to the number of hours being billed to an agency
- Consistency in accounting for administrative, training, and other non-billable tasks

# Average Employee Working Percentages

Full Time FTE Hours Per Year		2,080		
Category	Hours	%	Notes	
12 Paid Holidays	96			
New Half Holiday	4			
Estimated sick hours used	40			
Estimated annual hours used	100			
Estimated additional PTO usage	26			
Approved OA hours holiday, public employee appreciation	10			
Wellness/Mental Health OA	4			
	<b>280</b>	<b>86.54%</b>	<b>working hours</b>	
<b>Other Non Billable Activities (Training, Development, Meetings, etc)</b>		<b>156</b>	<b>79.04%</b>	<b>adjusted working hours</b>
(Assumption of 3 hours per week for 52 weeks)				

# Division of Facilities & Construction Management

## Rate Committee Policy Items:

1. Rate per sq ft per building instead of flat dollar amount
2. New rate for departments that have delegations

## Policy Items Proposed by DFCM:

1. Gradual Rate Increases
  - a. Adjusting rates for buildings not increased at last rate committee
2. Billing like a Lease

# Division of Human Resource Management & Vantage

## Rate Committee Policy Items:

1. Headcount vs. FTE - should we review?

Method	Pros	Cons
<b>FTE Capped at 1.0</b>	<ul style="list-style-type: none"><li>• Better for small grant/programs with PT employees or infrequent work</li><li>• Agencies are familiar with how to retrieve the FTE counts from data warehouse</li><li>• Agencies are unaffected by turnover in one position</li><li>• Not influenced by OT work</li><li>• “Headcount Lite” model would be eliminated</li><li>• Dual employment shouldn’t be an issue</li></ul>	<ul style="list-style-type: none"><li>• Would require a model for capping at 1.0 FTE. This isn’t a part of the current data warehouse report</li><li>• Moving away from a “people” model introduces more subsidizing but at a reduced amount due to the cap at 1.0</li><li>• More risk to DHRM for potential extra work/OT due to turnover</li><li>• Would not account for same work to hire/service PT employee vs FT</li></ul>

# Rate Impact - Headcount vs FTE Capped

Agency	Headcount Impact	FTE Capped Impact	Difference
11 Senate	\$12,853.56	\$6,584.36	(\$6,269.20)
12 House of Representatives	\$19,130.88	\$8,798.82	(\$10,332.06)
20 Judicial Branch	\$436,722.12	\$428,484.75	(\$8,237.37)
30 Capitol Preservation Board	\$23,764.98	\$18,053.02	(\$5,711.96)
60 Governor's Office	\$263,481.30	\$235,051.80	(\$28,429.50)
80 Attorney General	\$202,966.68	\$212,238.14	<b>\$9,271.46</b>
90 State Auditor	\$20,924.40	\$15,384.94	(\$5,539.46)
120 Tax Commission	\$793,543.68	\$887,133.08	<b>\$93,589.40</b>

# Rate Impact - Headcount vs FTE Capped

Agency	Headcount Impact	FTE Capped Impact	Difference
150 Government Operations	\$1,704,879.00	\$1,968,200.52	\$263,321.52
180 Public Safety	\$1,838,380.56	\$1,973,251.12	\$134,870.56
190 National Guard	\$389,539.02	\$324,320.34	(\$65,218.68)
250 DHHS	\$7,387,809.00	\$7,414,499.85	\$26,690.85
400 USDB	\$653,303.84	\$614,671.38	(\$38,632.46)
410 Corrections	\$2,901,394.08	\$3,276,768.88	\$375,374.80
480 Environmental Quality	\$469,100.04	\$536,874.13	\$67,774.09
550 Trust Lands Admin	\$84,727.32	\$96,635.86	\$11,908.54
560 Natural Resources	\$3,005,791.00	\$2,102,746.85	(\$903,044.15)

# Rate Impact - Headcount vs FTE Capped

Agency	Headcount Impact	FTE Capped Impact	Difference
600 Workforce Services	\$2,481,890.52	\$2,709,606.72	\$227,716.20
650 Alcoholic Beverage Control	\$1,189,282.26	\$757,428.41	(\$431,853.85)
660 Labor Commission	\$149,822.70	\$158,882.87	\$9,060.17
670 Commerce	\$404,004.66	\$431,308.01	\$27,303.35
680 Financial Institutions	\$70,261.68	\$79,642.24	\$9,380.56
690 Insurance	\$110,558.82	\$129,061.62	\$18,502.80
710 Cultural & Community Engagement	\$299,645.40	\$252,512.59	(\$47,132.81)
810 UDOT	\$1,891,709.11	\$2,163,159.66	\$271,450.55

# Travel and P-Card Rate

**Utah Division of Finance**

# Program Overview

## Addressing Rate Committee Concerns: Travel Rates

### Concern

*"Travel rates - what can be done to reduce this?"*

### Current Status

Rates do not cover total costs.

**Budget Gap: 1 FTE funded by General Fund due to Concur costs.**

# Strategic Solution & Path Forward

## Long-Term Mitigation: Increasing Rebates to Offset Rates

### The Proposed Solution: P-Card Optimization

The primary lever for lowering agency costs is increasing the **P-Card spend**.

#### How it Works

- By shifting more transactions to P-Cards, the state can increase its total rebate.
- Higher rebates provide funds that can be used to lower the agencies cost.

#### Recommendation

- Maintain the automated Concur environment for data integrity and security.
- Focus on a state-wide push to maximize P-Card adoption for rate reduction.

**Goal:** Maximizing P-Card adoption as the most viable path to rate reduction.

# New Usage-Based Reimbursement Fee

## New Concur Expense Report Fee

New Rate: **\$6.00** per Expense Report Processed.

### Trigger

Collected when a traveler or administrator submits a reimbursement request through SAP Concur.

### Justification

Shifts the cost of system maintenance and audit oversight to the agencies with the highest volume of financial transactions.

**Note:** This is distinct from the \$8.79 "Excess Report" fee.