



**ADMINISTRATION AND REGULATION APPROPRIATIONS
BUDGET SUBCOMMITTEE PRESENTATION
January 21, 2010**

1. DAS Operations Background – Source of Funding
2. General Fund Appropriations
 - a. FY11 Request Summary
 - i. General Operations
- \$ 5,349,232
 - ii. Capitol Complex and Ankeny Labs Utilities (heating, electricity, etc.)
- \$ 3,517,432
 - b. C85 (General Fund appropriation history) – FY09-FY10
 - i. 26.3% Reduction – FY10 Adjusted Appropriation (\$4,814,308) compared to FY09 Final Legislative Action (\$6,529,527)
 - c. Energy initiative – MidAmerican/utility initiative – related to \$ 2.5 M with rebates and OEI grant.
 - i. DAS needs to implement energy efficiency improvements in the Capitol Complex, Terrace Hill and Iowa Laboratories to reduce energy costs and comply with Executive Order Six. Through audits provided by MidAmerican Energy, DAS has identified approximately \$2.8 million in energy efficiency projects on complex that are estimated to reduce electricity usage (not costs) by 11% and natural gas usage (not costs) by 24%, with annual savings at current rates of approximately \$374,000. There are rebates available from MidAmerican Energy for these projects, and DAS has applied for additional funding from the Office of Energy Independence's State Energy Program.

We have received approval of a grant from the US DOE through OEI in the amount of \$716,047. In order to obtain the grant money, we need to provide a match of \$2,157,095 (\$1,840,000 loan amount plus interest (about 4.14%) of \$317,095). The loan would be paid back by rebates from Mid American estimated at \$1,237,027 and payments from the utility fund appropriation.

If these projects are delayed or abandoned, utility bills will continue to rise, requiring more general funds. DAS will not be able to comply with the Executive Order Six requirement to reduce energy usage by 15% by 2015. The State Energy Program money will also expire if projects are not implemented in a timely manner

- d. Cashflow “payback” issue
3. Fleet Information
 - a. Unissued vehicles on site are as follows:

- i. 48 Total Unissued vehicles
- b. Underutilized vehicles identified and returned to DAS during past 2 months
 - i. 36 total vehicles as of 1-5-10
- c. Hourly garage rates – area service providers vs. DAS garage
 - i. Information from November 2009 DAS Fleet FAQ
 - DAS Garage rates compared to DM area private vendors.

Mechanical Vendor	Hourly Rate
• DAS Garage	\$64/hr
• Bob Brown Chevrolet	\$102/hr
• Charles Gabus Ford	\$95/hr
• Dewey Ford	\$95/hr
• Karl Chevrolet	\$118/hr
• Stew Hansen Dodge	\$95/hr
• Stivers Linc/Mer/Ford	\$100/hr

- d. Vehicle Monitoring Initiative – DAS is in the process of implementing a pilot project to monitor use and necessity of vehicles. This effort will initially involve 15-20 vehicles and will monitor use, operations, necessity of vehicle, etc.
4. Property Management
- a. Mercy
 - b. Status of relocation of State offices
 - c. Lease Renegotiations
5. Personnel Issues
- a. Furloughs and layoffs
 - b. 4-day work week?

Department of Administrative Services
Historical Recap of Rebates and Rate Reductions FY06 - FY10 (Attachment A)

	FY06	FY06 UT/MP	FY07	FY07 UT/MP	FY08	FY08 UT/MP	FY09	FY09 UT/MP	FY10	FY10 UT/MP
REBATES										
GSE	\$695,000	UT	\$776,194	UT	\$636,667	UT	\$865,000	UT	\$299,000	UT
GSE	\$0		\$0		\$803,715	UT	\$340,000	UT	\$200,000	MP
HRE									\$333,000	UT
ITE									\$52,700	UT
ITE	\$2,100,000	MP	\$1,016,767	MP	\$3,000,000	MP	\$1,204,014	MP	\$1,667,000	MP
SAE I/3	\$0		\$0		\$0		\$50,000	UT	\$315,930	UT
	<u>\$2,795,000</u>		<u>\$1,792,961</u>		<u>\$4,440,382</u>		<u>\$2,459,014</u>		<u>\$2,867,630</u>	
RATE REDUCTIONS										
GSE	\$0		\$170,000	UT			\$50,000	UT	\$301,486	UT
HRE	\$0				\$1,187,000	UT			\$47,118	UT
ITE									\$4,993	UT
ITE	\$2,511,712	MP					Note #1	MP		MP
SAE I/3	\$0									
	<u>\$ 2,511,712</u>		<u>\$ 170,000</u>		<u>\$ 1,187,000</u>		<u>\$ 50,000</u>		<u>\$ 353,597</u>	

UT = various utility services

MP = various marketplace services

Note #1 - ITE reduced and repriced all of their Marketplace services in FY09 and in FY10. Some rates increased and others decrease with some services being eliminated or repackaged. Dollar amounts are not available.

Total Utility Rebates **\$5,167,206**
 Total Utility Reductions **\$1,760,597**
 Total Marketplace Rebates **\$9,187,781**
 Total Marketplace Reductions: **\$2,511,712**