

Department Budget Statement

As the agency responsible for providing essential functions to support state government, such as procurement of goods and services, oversight of the vehicle fleet, management of state property and facilities and construction of the Commonwealth's buildings and non-highway infrastructure, the Department of General Services (DGS) strives to deliver innovative, value-added services and solutions for cost-effective operations, provide exceptional customer service and push for continuous improvement.

DGS's budget submission reflects the need to focus funding on two core missions: delivering high-quality support services to all state agencies and creating savings opportunities for other state agencies and local governments by using the Department's ability to drive down costs on statewide contracts, construction projects, leases, vehicles and insurance. DGS's success in that latter role led to being recognized with First and Second Place in the 2013 Governor's Innovation of the Year competition for fleet reduction and space reduction, respectively.

Leveraging Past Successes and Building upon Them

- **Vehicle Fleet Reform** – The Bureau of Vehicle Management has implemented reforms that have resulted in the elimination of over 2,000 vehicles, or nearly 20 percent of all passenger vehicles. Total savings and cost avoidance are estimated at over \$50 million since reforms started in 2011.
- **Space Consolidation** – The Bureau of Real Estate has centralized management of the Commonwealth's real estate portfolio to more efficiently use owned and leased space. Efforts to date have eliminated over 526,000 sq. ft. of leased space and saved over \$9 million annually. That represents about a 6 percent reduction of all space rented by state agencies.
- **Increased Number of Surplus Real Properties** – The Bureau of Real Estate has sold 42 properties since the start of the Corbett Administration for almost \$34.2 million. In June 2013, 37 properties were authorized for sale by the legislature and the Governor which included the largest number of properties on the annual Surplus Property Disposition Plan submitted to the General Assembly in decades. The sale of surplus property not only brings in non-tax revenue but also reduces unnecessary costs to secure and maintain needed properties.
- **Capitol Police Accreditation** – The Capitol Police received international accreditation from the Commission on Accreditation for Law Enforcement Agencies (CALEA), and from the Pennsylvania Law Enforcement Accreditation Commission (PLEAC), which is awarded by PA Chiefs of Police. CALEA accreditation is one of the most successful methods for reaching administrative, personnel and operational goals, and with the PLEAC accreditation, makes the Capitol Police one of less than 4 percent of all law enforcement agencies fully accredited.
- **Consolidation of Print Services** – The Bureau of Publications and the Governor's Office of Innovation continue to consolidate various agency print operations and services. Efforts to date have resulted in over a dozen agencies partially or fully consolidating operations and the development of a cooperative printing arrangement with PENNDOT for additional capacity and redundancy. Cost savings resulting from eliminated positions, equipment and space are estimated to be over \$2 million.
- **SCI Benner Construction** – Public Works completed the construction of a 2,000-bed, LEED Silver-designed prison on time, within budget and with 51% of the \$174,789,000 contract paid to small diverse businesses.

- **Reduced Construction Claims** – Public Works has successfully reduced annual claims to less than \$3,000,000 which is an indicator of efficient administration of the program’s multi-billion dollar design and construction portfolio.
- **Increased Revenue from State Surplus** – Since FY2009–10, the Bureau of Supplies and Surplus Operations has doubled the revenue received for state surplus property. Surplus property sold, recycled or scrapped for that fiscal year was \$5.2 million as compared to \$11.6 million in FY2012–13.
- **Reduced Emergency and Sole Source Procurements** – The Bureau of Procurement has seen a 72% reduction in emergency procurements and 53% fewer sole sources since 2011 due to stricter enforcement and closer scrutiny of agency requests for these non-standard procurement methods.
- **Small Diverse Business Program** – The Bureau of Small Business Opportunities has expanded the former Disadvantaged Business program to now include not only woman-owned and minority-owned businesses (MBE/WBE), but also veteran-owned and service-disabled, veteran-owned businesses. The new program is known as the Small Diverse Business Program and allows prime contractors to receive points in the Request for Proposals scoring process when utilizing veteran-owned and service-disabled, veteran-owned businesses as well as woman- and minority-owned businesses as subcontractors. The program no longer certifies Small Diverse Businesses as in the past. Instead, the Bureau allows businesses to register online as a Small Diverse Business, and then verifies that the businesses are certified by one of five recognized third-party entities. In so doing, the Bureau is reallocating its personnel to monitor compliance with contract commitments.

Creating New Successes and Moving Forward

- **Harrisburg City Receiver** – With leadership from the Governor’s Office and the Harrisburg City Receiver’s Office, DGS has taken a lead role to develop solutions to the city’s debt crisis and, at the same time, make sound long-term business decisions that will save the Commonwealth money.
 - **Harrisburg Incinerator** – DGS and the Lancaster County Solid Waste Management Authority (LCSWMA) negotiated a contract to purchase electricity from LCSWMA for state facilities in the Capital area for 20 years and thereby enabling them to purchase the facility and finance necessary improvements. The contract fixes the price of energy for the Commonwealth and has an estimated savings of over \$10 million over the life of the contract.
 - **Harrisburg Parking Authority (HPA) Garages** – A key component to the fiscal recovery plan for the City of Harrisburg is leasing the parking garages operated by HPA to reduce some of the stranded debt left by the sale of the incinerator. The Commonwealth is the single largest lessee of parking from HPA, and as such, has a substantial effect on the monetization value of the garages. DGS negotiated terms for a long-term parking lease for existing parking spaces rented from HPA and put the final piece in place allowing the City Receiver to finalize the City’s recovery plan, “The Harrisburg Strong Plan”. The Department estimates that the Commonwealth will save at least \$10.6 million over the lease term.
 - **Verizon Tower** – DGS has entered into preliminary discussions on the feasibility of leasing the Verizon Tower portion of Strawberry Square. Bonds on the Tower come due in 2016 and are guaranteed by the City of Harrisburg. It is anticipated that rent from the building, which is mostly vacant, will be insufficient to pay the bond debt, and default is expected to be a near certainty.

- **Public Works Modernization Effort** – DGS Public Works is currently engaged in a complete organizational review and process improvement project to culminate in recommendations for reorganization, process improvements and technology requirements for a comprehensive project management, electronic bidding process and financial accounting application to replace its outdated and inefficient CAPSYS system.
- **Pennsylvania Liquor Control Board (PLCB) Leases** – The Bureau of Real Estate has begun managing the bidding, negotiation and evaluation of PLCB leases using its professional expertise to obtain best pricing, maximum competition and maintain transparency throughout the selection process.
- **Capitol Complex Construction/ Renovations** – DGS is finalizing design 13 projects worth \$60 million that will be awarded in FY2013–14 and last through FY2014–15.
 - Keystone roof replacement
 - Forum renovations
 - Forum/Finance roof repair
 - Forum/Finance restroom renovation/ADA compliance
 - East Wing exterior/interior renovations[†]
 - Ryan building roof/skylight/window repairs
 - Capitol complex pumpkin ball lights renovation
 - Capitol Complex security upgrade
 - State Street Bridge storm water repairs
 - State Street Bridge sinkhole repair
 - Resetting the Capitol steps
 - L&I generator replacement
 - L&I Elevator repair

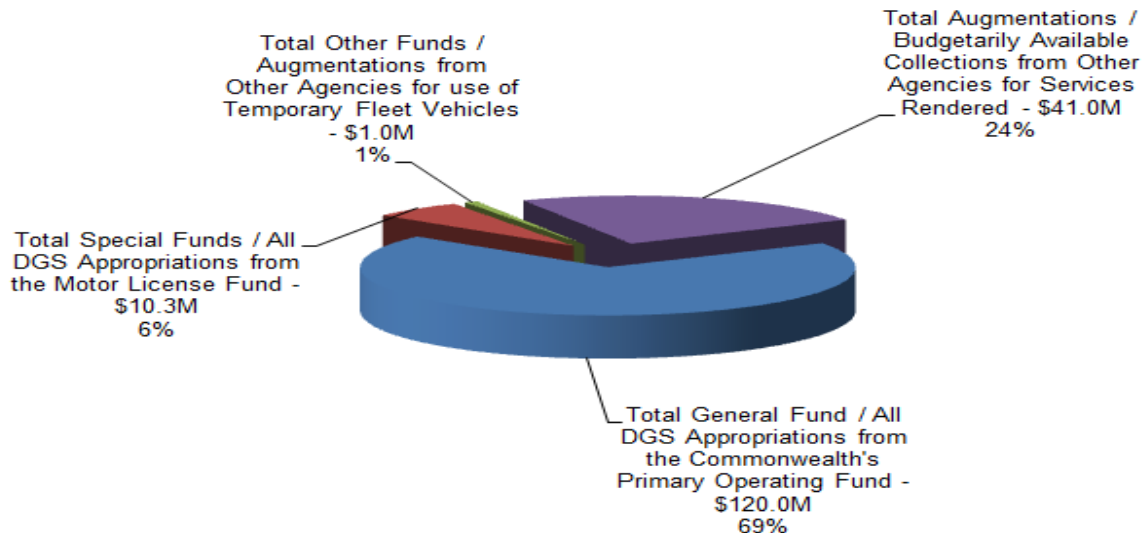
As always, the Department will continue to work with the Governor’s Budget Office to prioritize and move forward on critical management and productivity initiatives that drive down costs, improve efficiencies, and make the difficult decisions to meet the Governor’s goals and priorities for Fiscal Year 2014–15.

EXECUTIVE SUMMARY

The Department of General Services is responsible for the procurement of goods and services for the entire Commonwealth; oversight of the vehicle fleet; management of state property and facilities, management of non-highway capital construction projects and improvements to existing facilities, along with space utilization planning for state agencies. The Department manages the Small Business Opportunities Program, the Capitol Police and the Bureau of Commonwealth Media Services. In addition, we serve as the insurance broker and real estate agent, managing the state's self-insurance programs and approximately 1,130 real estate leases.

General and Special Fund operating Appropriations requested for Fiscal Year 2014-15 total \$130 Million. The Department of General Services has submitted twelve new Capital Budget authorizations for DGS-operated facilities for Fiscal Year 2014-15 totaling \$33.0 Million. The Department has identified repairs and upgrades that are critical to maintaining safe and efficient buildings. Public Works manages the ongoing projects for Executive Agencies, the State System of Higher Education and state-assisted universities with total Capital Budget authorizations of \$4.2 Billion.

FY 2014-15 REQUESTED SOURCE OF FUNDS

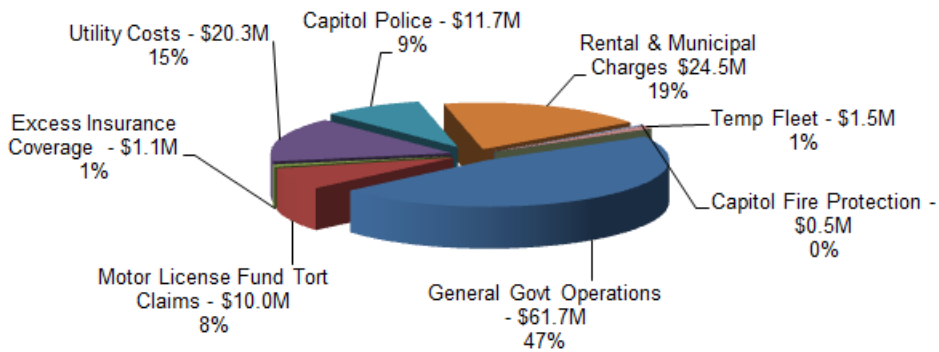


General operating costs of the Department are funded by the General Government Operations Appropriation, consisting of \$61.7 Million in state appropriations and \$17.7 Million in augmentations. Approximately 76.7% of the budget allocation is for personnel-related expenses such as the payment of salaries, benefits and other related staffing costs.

Specific Appropriations totaling \$69.5 Million are dedicated directly for the following purposes:

	<u>(Expressed in 1,000's)</u>
• Capitol Police Operations	\$ 11,719
• Rental and Municipal Charges	\$ 24,461
• Utility Costs / All DGS Facilities	\$ 20,281
• Excess Property Insurance for Losses over \$1M / DGS Portion of Costs	\$ 1,099
• Capitol Fire Protection by the City of Harrisburg	\$ 496
• Payment of Motor License Fund Tort Claims	\$ 10,000
• Temporary Fleet Vehicles	<u>\$ 1,455</u>
Total	<u><u>\$ 69,511</u></u>

FY 2014-15 REQUESTED FUNDING



The Department of General Services has shown reduced utility usage due to prudent energy management, energy rate shopping, electricity curtailment and installation of energy efficient equipment.

The Rental and Municipal Charges Appropriation provides funding for the Commonwealth's lease obligations, operating costs and taxes for Strawberry Square, 333 Market Street and Forum Place in Harrisburg; two office locations in Philadelphia; three office locations in Pittsburgh; Kutztown University; and the office space located in Scranton. Costs relating to Forum Place, Philadelphia and Pittsburgh are prorated to using agencies, based upon building occupancy. An early buyout of 12,443 square feet has been negotiated at the Stanwix Building saving the Commonwealth approximately \$2 Million over the term of the lease. The Department of General Services has entered into a lease with the Pennsylvania Economic Development Financing Authority to have one consolidated parking lease in Harrisburg for the entire Commonwealth. The Department of General Services is working with the Governor's Budget Office regarding the details of the billing.

The Department of General Services continues to review all programs that will improve efficiencies, consolidate services and lower costs to the Commonwealth. Our plans to streamline all aspects of services will result in reduced costs and greater transparency of government actions.

**DEPARTMENT OF GENERAL SERVICES
PURCHASING FUND
AUTO LEASE**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>23,969</u>	<u>17,824</u>	<u>19,123</u>	<u>1,299</u>	<u>7.29%</u>
Total	23,969	17,824	19,123	1,299	7.29%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>3,065</u>	<u>3,875</u>	<u>4,126</u>	<u>251</u>	<u>6.48%</u>
Total	3,065	3,875	4,126	251	6.48%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>2,277</u>	<u>2,908</u>	<u>3,179</u>	<u>271</u>	<u>9.32%</u>
Total	2,277	2,908	3,179	271	9.32%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>18,627</u>	<u>11,041</u>	<u>11,818</u>	<u>777</u>	<u>7.04%</u>
Total	18,627	11,041	11,818	777	7.04%

**PURCHASING FUND
 AUTO LEASE
 (continued)**

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	0	0	0

4. COMPLEMENT INFORMATION

(a)	<u>"Positions"</u>	<u>12/31/2012</u>	<u>12/31/2013</u>	<u>2014/15 Budgeted</u>
	State Funds			
	Authorized	0	0	0
	Filled	0	0	0
	Federal Funds			
	Authorized	0	0	0
	Filled	0	0	0
	Other Funds			
	Authorized	130	127	124
	Filled	54	54	53
	Total			
	Authorized	130	127	124
	Filled	54	54	53

*Total Authorized Complement provided is for the entire Purchasing Fund.

(b)	<u>"Agency Benefit Factor"</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
		64.92%	73.62%	79.96%

**PURCHASING FUND
AUTO LEASE
(continued)**

5. PROGRAM NARRATIVE

This fully augmented Appropriation funds the Department's comprehensive Commonwealth vehicle leasing program which encompasses vehicle acquisition, asset management, management maintenance, repair and resale.

6. PROGRAM PERFORMANCE

Revenue to fund this operation is generated from billings to using agencies based upon services provided and the sale of vehicles at auction.

7. COST ASSUMPTIONS

- (a) The salary for the Deputy Secretary of Property and Asset Management has been prorated between the General Government Operations (GGO) and the Purchasing Fund Auto Lease.
- (b) Funding has been provided for one vacant Senior Applications Developer for 13 pay periods and one leave without pay position for 26.1 pay periods.
- (c) Two vacant positions will be transferred to the Recruitment Bank.
- (d) In a continued effort to manage the Commonwealth's vehicle fleet more efficiently, cost-effectively and with greater levels of accountability, the Department continues to advance the vehicle reform plan initiated in Fiscal Year 2011-12. This includes an audit of the state's vehicles and equipment and the consolidation of outdated policies and procedures into one concise vehicle policy. This policy defines the requirements for the assignment of state-owned vehicles based upon minimum business mileage and usage. As a result, the total number of passenger units will decline as well as the associated costs for maintaining these units.
- (e) The number of vehicles purchased as part of the regeneration of the Commonwealth's deteriorated fleet was higher than originally anticipated. As a result, Fiscal Year 2012-13 fixed asset actual spending reflects a significant increase from budgeted amounts.
- (f) The refresh of the Commonwealth's aged and high mileage fleet will continue in Fiscal Year 2014-15.
- (g) Expenditures and augmentations for the Appropriation are not included in the Summary by Fund and Appropriation.

**DEPARTMENT OF GENERAL SERVICES
GENERAL FUND
CAPITOL FIRE PROTECTION**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	2,500	496	496	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	2,500	496	496	0	0.00%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	2,500	496	496	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	2,500	496	496	0	0.00%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

**GENERAL FUND
CAPITOL FIRE PROTECTION
(continued)**

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	0	0	0

4. COMPLEMENT INFORMATION

N/A

5. PROGRAM NARRATIVE

This Appropriation provides payment to the City of Harrisburg for staff training, building inspection and fire protection services for all state-owned buildings located within the City of Harrisburg.

6. PROGRAM PERFORMANCE

Program funding provides fire protection services to state facilities located within the City of Harrisburg.

7. COST ASSUMPTIONS

- (a) Funding for the Request Year remains level with the prior year.
- (b) The Appropriation does not provide funding for General Government Operations.
- (c) No non-recurring transactions have occurred.

**DEPARTMENT OF GENERAL SERVICES
GENERAL FUND
CAPITOL POLICE OPERATIONS**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	11,099	11,484	11,719	235	2.05%
Federal Funds	0	0	0	0	0.00%
Other Funds	85	90	90	0	0.00%
Total	11,184	11,574	11,809	235	2.03%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	9,938	10,308	10,633	325	3.15%
Federal Funds	0	0	0	0	0.00%
Other Funds	40	45	45	0	0.00%
Total	9,978	10,353	10,678	325	3.14%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	1,017	1,086	1,086	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	45	45	45	0	0.00%
Total	1,062	1,131	1,131	0	0.00%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	144	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	144	0	0	0	0.00%

**GENERAL FUND
CAPITOL POLICE OPERATIONS
(continued)**

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	90	0	(90)	-100.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	90	0	(90)	-100.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	0	0	0

4. COMPLEMENT INFORMATION

(a) <u>"Positions"</u>	<u>12/31/2012</u>	<u>12/31/2013</u>	<u>2014/15 Budgeted</u>
State Funds			
Authorized	117	114	106
Filled	108	107	106
Federal Funds			
Authorized	0	0	0
Filled	0	0	0
Other Funds			
Authorized	0	0	0
Filled	0	0	0
Total			
Authorized	117	114	106
Filled	108	107	106
(b) <u>"Agency Benefit Factor"</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
	57.23%	61.08%	68.46%

5. PROGRAM NARRATIVE

Funding is utilized to support activities of the Bureau of Police and Safety in the Harrisburg Capitol Complex as well as Philadelphia and Scranton. Responsibilities are assigned to the Department of General Services in the Administrative Code of 1929.

**GENERAL FUND
CAPITOL POLICE OPERATIONS
(continued)**

6. PROGRAM PERFORMANCE

The Bureau of Police and Safety is called upon to perform a full range of functions required within the Capitol Complex and related buildings as well as Philadelphia and Scranton. Responsibilities include:

- Preservation of the public peace.
- Protection of Commonwealth employees and property, and visitors to Commonwealth facilities.
- Investigation of criminal and security matters.
- Performance of traffic control responsibilities.
- Maintain the Capitol Police Communications Center to include the monitoring of security cameras.

During calendar year 2013 in the Harrisburg jurisdiction, 19,141 officer-initiated incidents and calls for service were logged, including 290 crimes, were reported to the Capitol Police. Aid was furnished in 229 instances of serious illness or injury and 94 vehicle crashes were investigated.

7. COST ASSUMPTIONS

- (a) Effective July 1, 2013, Capitol Police related budget, augmentations and expenditures were removed from the General Government Operations Appropriation and were placed in a separate Appropriation entitled Capitol Police Operations.
- (b) The specialized template for Age 50 Retirement has been used to account for the 23.5% retirement contribution rates in effect for Capitol Police Officers in class AA retirement status.
- (c) Personnel costs have been reduced by \$162,000 to account for the pension collar change.
- (d) Eight unfunded vacancies will be transferred to the Recruitment Bank.
- (e) Operating expenses are level with the 2013-14 Budget. Any further reductions will compromise the safety of the Capitol Complex.
- (f) Augmentations of \$90,000 resulting from fines, security badges and overtime for special events are anticipated in Fiscal Year 2014-15.

**DEPARTMENT OF GENERAL SERVICES
GENERAL FUND
EXCESS INSURANCE COVERAGE**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	1,624	1,211	1,099	(112)	-9.25%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	1,624	1,211	1,099	(112)	-9.25%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	1,624	1,211	1,099	(112)	-9.25%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	1,624	1,211	1,099	(112)	-9.25%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

**GENERAL FUND
EXCESS INSURANCE COVERAGE
(continued)**

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	79	633	0

4. COMPLEMENT INFORMATION

N/A

5. PROGRAM NARRATIVE

Funding for this program provides casualty insurance against catastrophic losses for Commonwealth-owned buildings and contents. Losses under \$1 Million are self-insured under the auspices of the State Insurance Fund.

6. PROGRAM PERFORMANCE

Driven by recent global and national weather catastrophes, Insurance Carriers and Global Property Reinsurers are developing their property catastrophe loss projections for industry property rates for the future policy terms. Based on current projections, the property market rates are expected to increase 3% during the 2014-15 policy term. The Bureau of Risk and Insurance Management will continue to negotiate the premium rate in order to maintain costs at a reasonable level.

7. COST ASSUMPTIONS

- (a) The Bureau of Risk and Insurance Management has estimated a 3% increase for the Excess Property/Boiler & Machinery policy in Fiscal Year 2014-15 based on current market trends. Policy renewal is September 2014.

**GENERAL FUND
EXCESS INSURANCE COVERAGE
(continued)**

- (b) A Request for Proposal (RFP) for Insurance Brokerage and Consultant Services was issued in the spring of 2010, pursuant to the Commonwealth Procurement Code, 62 Pa. C.S. Section 519. The RFP has resulted in a new contract for the Commonwealth's Excess Property/Boiler & Machinery coverage. It was determined that, in an effort to be more prudent, future plan projections should include an adequate increase in insured values and premiums.
- (c) Premium costs for the Boiler & Machinery portion of the premium are allocated among independent agencies voluntarily participating in the program and are based upon reported property values.
- (d) The Department's portion of the Excess Insurance billing will be reduced by \$112,000 due to a change in the billing agencies.
- (e) The Appropriation does not provide funding for General Government Operations.
- (f) No non-recurring transactions have occurred.

**DEPARTMENT OF GENERAL SERVICES
PURCHASING FUND
GAS AND OIL**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>865</u>	<u>915</u>	<u>878</u>	<u>(37)</u>	<u>-4.04%</u>
Total	865	915	878	(37)	-4.04%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	0	0	0	0	0.00%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>865</u>	<u>915</u>	<u>878</u>	<u>(37)</u>	<u>-4.04%</u>
Total	865	915	878	(37)	-4.04%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	0	0	0	0	0.00%

**PURCHASING FUND
GAS AND OIL
(continued)**

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	0	0	0

4. COMPLEMENT INFORMATION

N/A

5. PROGRAM NARRATIVE

This fully augmented Appropriation funds bulk fuel and oil purchases. In an effort to offer alternative types of fuel, biodiesel and ethanol tanks have been installed. By leveraging the Commonwealth's procurement volume, bulk purchases offer substantial savings to state government.

6. PROGRAM PERFORMANCE

Revenue to fund this operation is generated from billings to using agencies based upon actual usage.

7. COST ASSUMPTIONS

- (a) A volatile market and weak economic conditions contributed to the rise of crude oil prices, resulting in an increase of fuel prices. Market projections predict that oil prices will continue to rise gradually over the next few years.

- (b) The installation of biodiesel and ethanol tanks will offer easily accessible alternative sources of fuel for Commonwealth Fleet vehicles. Unlike gasoline and diesel, ethanol and biodiesel are renewable and more environmentally friendly. The purchase of alternative fuel sources will enable the Commonwealth to hedge against future fluctuating gasoline and diesel prices.

PURCHASING FUND

GAS AND OIL

(continued)

- (c) Expenditures and augmentations for the Appropriation are not included in the Summary by Fund and Appropriation.
- (d) Replacement of old vehicles with newer more fuel-efficient vehicles in addition to reducing the overall fleet size has reduced the amount of fuel consumed and limiting the affect of price-increases.

**DEPARTMENT OF GENERAL SERVICES
GENERAL FUND
GENERAL GOVERNMENT OPERATIONS**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	2012/13	2013/14	2014/15	Budgeted vs. Available	Percent Change
State Funds	54,824	59,178	61,732	2,554	4.32%
Federal Funds	0	0	0	0	0.00%
Other Funds	20,392	17,521	17,697	176	1.00%
Total	75,216	76,699	79,429	2,730	3.56%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	2012/13	2013/14	2014/15	Budgeted vs. Available	Percent Change
State Funds	46,501	48,209	51,574	3,365	6.98%
Federal Funds	0	0	0	0	0.00%
Other Funds	10,033	10,661	12,089	1,428	13.39%
Total	56,534	58,870	63,663	4,793	8.14%

OPERATING

(Dollars in Thousands)

	2012/13	2013/14	2014/15	Budgeted vs. Available	Percent Change
State Funds	7,895	9,809	10,158	349	3.56%
Federal Funds	0	0	0	0	0.00%
Other Funds	9,724	5,556	5,058	(498)	-8.96%
Total	17,619	15,365	15,216	(149)	-0.97%

FIXED ASSETS

(Dollars in Thousands)

	2012/13	2013/14	2014/15	Budgeted vs. Available	Percent Change
State Funds	428	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	635	1,304	550	(754)	-57.82%
Total	1,063	1,304	550	(754)	-57.82%

**GENERAL FUND
GENERAL GOVERNMENT OPERATIONS
(continued)**

OTHER/BUDGETARY RESERVE

	(Dollars in Thousands)				
	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	1,160	0	(1,160)	-100.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	1,160	0	(1,160)	-100.00%

3. HISTORY OF LAPSES

	(Dollars in Thousands)		
	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	2,688	0	0

4. COMPLEMENT INFORMATION

(a) <u>"Positions"</u>	<u>12/31/2012</u>	<u>12/31/2013</u>	<u>2014/15 Budgeted</u>
State Funds			
Authorized	638	649	615
Filled	626	611	606
Federal Funds			
Authorized	0	0	0
Filled	0	0	0
Other Funds			
Authorized	114	113	113
Filled	110	103	110
Total			
Authorized	<u>752</u>	<u>762</u>	<u>728</u>
Filled	<u>736</u>	<u>714</u>	<u>716</u>
(b) <u>"Agency Benefit Factor"</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
	57.23%	65.31%	72.63%

5. PROGRAM NARRATIVE

This Appropriation provides funding for property and facilities management, space acquisition and utilization, procurement, customer service, public works and administrative support operations of the Department of General Services (DGS).

**GENERAL FUND
GENERAL GOVERNMENT OPERATIONS
(continued)**

6. PROGRAM PERFORMANCE

The General Government Operations Appropriation (GGO) provides resources to support and maintain a wide variety of programs, functions and responsibilities of DGS. The Department performs numerous centralized functions for executive branch agencies. Activities and initiatives are summarized below:

(a) **Procurement**

Since 2011, the Bureau of Procurement has become focused as an organization designed to promote effective, efficient purchase process for goods and services. As part of this transformation, a new mission statement was developed and a new strategic plan deployed. The Bureau anticipates saving the Commonwealth and its taxpayers an estimated \$31 Million in Fiscal Year 2013-14 through continued improvements to the procurement solicitation processes and increased competition among potential suppliers for contracting opportunities.

(b) **Public Works**

DGS oversees \$4.2 Billion in new and ongoing Public Works projects annually and has a diversified portfolio of projects, from simple, single prime contracts to more complex multiple prime projects. Public Works continues to aggressively manage the Commonwealth's vertical construction projects to drive down costs and improve the quality and delivery of each and every project. Having achieved and maintained a 5% or less change order rate over the last two fiscal years, Public Works has now set its sights on ensuring that annually 90% of all projects are completed within 105% of their original projected award and on reducing interest payment liability resulting from late payments to contractors. By monitoring costs during the construction phase, DGS maintains savings achieved through the low-bid process and ensures adequate contingency to complete projects without the need for supplemental funding.

(c) **Property and Asset Management**

The extraordinary financial circumstances under which the Commonwealth has operated for the last several fiscal years has resulted in deferred maintenance for many Commonwealth buildings and a moratorium on vehicle purchases. This fiscal year, DGS will continue to make maintaining and updating our aging and deteriorating infrastructure a priority. DGS completed a critical assessment to identify the immediate and necessary improvements for DGS-managed buildings and submitted several for Capitol Budget consideration. An extensive vehicle reform to decrease the size and cost of the state-owned vehicle fleet as well as ensure vehicles are deployed appropriately and operated responsibly was implemented last fiscal year. DGS reduced the state's non-law enforcement passenger vehicle fleet by over 20%. The Department estimates immediate cost savings for agencies to be nearly \$50 Million. Lastly, to maintain utility cost savings achieved over the last several fiscal years, DGS will continue its rigorous management of energy consumption in Commonwealth-owned buildings.

(d) **Real Estate**

DGS has been able to identify significant amounts of leased space that can be eliminated by moving tenant agencies into vacant or underutilized space in owned buildings or other existing office leases. The elimination of unused or underutilized space translates to millions of dollars in annualized savings. To date, the Department has assisted its using agencies in the elimination of 526,000 square feet valued at over \$9.0 Million. DGS Bureau of Real Estate continues to take a proactive approach by consulting with agencies to review real estate transactions to ensure coordination and consolidation where possible across agencies.

**GENERAL FUND
GENERAL GOVERNMENT OPERATIONS
(continued)**

The Bureau of Real Estate has aggressively focused on identifying and selling surplus real estate, thereby bringing in one-time revenue to the Commonwealth and eliminating carrying costs to maintain and secure the properties. Since 2011, DGS has sold 42 properties totaling almost \$34 Million. In the first six months of 2013 alone, the Department was able to have 37 properties surplus which the Bureau of Real Estate is currently preparing to market or actively marketing.

(e) **Small and Small Diverse Businesses**

Pursuant to Governor Corbett's Executive Orders 2011-09 and 2011-10, DGS has initiated one new program, the Small Business Procurement Initiative (SBPI), and expanded another, the Small Diverse Business Program (SDBP). The SBPI is a race and gender neutral program which reserves certain Commonwealth procurements for competition among only self-certified, small business: businesses with 100 or fewer employees that meet maximum revenue requirements. This enables small businesses to have the opportunity to compete and perform as prime contractors in order to build capacity, create jobs and expand their businesses. In addition to the SBPI, the Department has also expanded the reach of the SDBP (formerly the Small Disadvantaged Business Program) to include veteran and service-disabled veteran-owned small businesses, affording them the same opportunities and assistance in doing business with the Commonwealth as minority and women-owned small businesses. Minority, woman, veteran and service disabled veteran-owned small businesses will be collectively referred to as small diverse businesses.

7. COST ASSUMPTIONS

- (a) The salary for the Deputy Secretary of Procurement has been prorated between the GGO; the Bureau of Publications; and the Bureau of Supplies and Surplus Operations, Warehouse Division, both reside in the Purchasing Fund.
- (b) The salary for the Deputy Secretary of Property and Asset Management has been prorated between the GGO and the Purchasing Fund Auto Lease Appropriation.
- (c) The salaries for the Director of Supplies and Surplus Operations and a Clerk Typist 2 are prorated among the GGO, Federal Surplus Property and the Warehouse.
- (d) Funding has been provided for one Attorney 4 Non-Supervisory position and two Law Clerk positions. These positions reside in the Office of General Counsel's complement, but are funded by DGS.
- (e) DGS has assigned an Attorney 4 in our Office of Chief Counsel to handle all transactions for the Pennsylvania Liquor Control Board (PLCB) as stated in the Memorandum of Understanding (MOU). We have estimated one-third of the salary and related benefits will be reimbursed through the PLCB.

GENERAL FUND
GENERAL GOVERNMENT OPERATIONS
(continued)

- (f) An MOU between the Office of Administration (OA) and DGS provides OA with 12 staff members to perform activities relating to the purchase of information technology. DGS will pay the full cost of these positions, including gross salary and non-salary compensation benefits. The vacant Commodity Specialist position that resides in this complement has not been funded. The complement for these positions resides with OA.
- (g) An MOU between the PLBC and DGS provides DGS with seven positions responsible for the PLCB retail store leasing responsibilities which the PLCB had previously performed on behalf of DGS. These positions reside on the DGS complement and will be reimbursed through augmentations from the PLCB.
- (h) An adjustment was prepared to prorate the salaries of six employees in the DGS Office of Chief Counsel who dedicate their time to both GGO and Procurement Subfund (700) legal functions. The proration is based on the average amount of time each employee dedicates to the Procurement Office.
- (i) Thirty-four unfunded vacancies will be transferred to the Recruitment Bank.
- (j) Personnel costs have been reduced by \$787,000 (\$655,000 state funds and \$132,000 augmented) to account for Pension Collar Change.
- (k) An increase of \$349,000 has been added to our budget to assist with the upgrade of outdated infrastructure throughout the Department.
- (l) The Federal Fixed Price Sales Vehicle Program, which was launched in Fiscal Year 2008-09, is expected to generate revenues of approximately \$500,000.
- (m) The Federal Surplus Division is anticipating the purchase of a flat bed trailer.
- (n) The Federal Surplus Division is anticipating an additional \$134,000 in revenue as a result of increased sales for the various programs under its purview.

**DEPARTMENT OF GENERAL SERVICES
MOTOR LICENSE FUND
HARRISTOWN RENTAL CHARGES**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	88	92	92	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	88	92	92	0	0.00%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	88	92	92	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	88	92	92	0	0.00%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

**MOTOR LICENSE FUND
HARRISTOWN RENTAL CHARGES
(continued)**

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	2	1	0

4. COMPLEMENT INFORMATION

N/A

5. PROGRAM NARRATIVE

The Harristown Rental Charges Appropriation provides funding for the Commonwealth's share of debt service obligations under the terms of the leases with the Harristown Development Corporation (HDC). The current request recognizes usage of the Harristown I facility for Motor License Fund functions of the Department of Revenue. Costs are prorated among funds, based upon building occupancy.

6. PROGRAM PERFORMANCE

The Harristown Rental Charges Appropriation is utilized to pay the Commonwealth's lease obligations under agreements with HDC. Known costs are prorated among funds, based upon building occupancy.

7. COST ASSUMPTIONS

- (a) Funding requirements for this Appropriation are based upon debt service schedules, which are incorporated in the lease agreements with HDC.

**MOTOR LICENSE FUND
HARRISTOWN RENTAL CHARGES
(continued)**

(b) The proration of costs among funds is based upon building occupancy, as indicated below:

<u>FUND</u>	OCCUPANCY HTNI (PCT)	OCCUPANCY HTN II (PCT)
GENERAL FUND	97.82	100.00
MOTOR LICENSE FUND	<u>2.18</u>	<u>0.00</u>
	<u>100.00</u>	<u>100.00</u>

(c) The Appropriation does not provide funding for General Government Operations.

(d) No non-recurring transactions have occurred.

**DEPARTMENT OF GENERAL SERVICES
MOTOR LICENSE FUND
HARRISTOWN UTILITY AND MUNICIPAL CHARGES**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	189	200	207	7	3.50%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	189	200	207	7	3.50%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	0	0	0	0	0.00%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	189	200	207	7	3.50%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	189	200	207	7	3.50%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	0	0	0	0	0.00%

**MOTOR LICENSE FUND
HARRISTOWN UTILITY AND MUNICIPAL CHARGES
(continued)**

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	1	12	0

4. COMPLEMENT INFORMATION

N/A

5. PROGRAM NARRATIVE

The Harristown Utility and Municipal Charges Appropriation provides funding for the Commonwealth's share of operating expenses and tax obligations under the terms of the leases with the Harristown Development Corporation (HDC). The current request recognizes usage of the Harristown I facility and the parking garages for Motor License Fund functions of the Department of Revenue. Costs are prorated among funds based upon building occupancy.

6. PROGRAM PERFORMANCE

The Harristown Utility and Municipal Charges Appropriation resources are utilized to pay the Commonwealth's operating obligations under agreements with the HDC. Costs are estimated and prorated among funds based upon building occupancy.

7. COST ASSUMPTIONS

- (a) Harristown operating costs reflect an increase due to an estimated rise in utility and property tax expenses.

**MOTOR LICENSE FUND
HARRISTOWN UTILITY AND MUNICIPAL CHARGES
(continued)**

(b) The proration of costs among funds is based upon building occupancy, as indicated below:

<u>FUND</u>	<u>OCCUPANCY HTNI (PCT)</u>	<u>OCCUPANCY HTN II (PCT)</u>
GENERAL FUND	97.82	100.00
MOTOR LICENSE FUND	2.18	0.00
	<u>100.00</u>	<u>100.00</u>

(c) The Appropriation does not provide funding for General Government Operations.

(d) No non-recurring transactions have occurred.

**DEPARTMENT OF GENERAL SERVICES
PURCHASING FUND
PUBLICATIONS**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. <u>Available</u>	<u>Percent Change</u>
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>6,514</u>	<u>15,221</u>	<u>15,515</u>	<u>294</u>	<u>1.93%</u>
Total	6,514	15,221	15,515	294	1.93%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. <u>Available</u>	<u>Percent Change</u>
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>3,207</u>	<u>3,426</u>	<u>3,720</u>	<u>294</u>	<u>8.58%</u>
Total	3,207	3,426	3,720	294	8.58%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. <u>Available</u>	<u>Percent Change</u>
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>3,085</u>	<u>11,555</u>	<u>11,555</u>	<u>0</u>	<u>0.00%</u>
Total	3,085	11,555	11,555	0	0.00%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. <u>Available</u>	<u>Percent Change</u>
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>222</u>	<u>240</u>	<u>240</u>	<u>0</u>	<u>0.00%</u>
Total	222	240	240	0	0.00%

**PURCHASING FUND
PUBLICATIONS
(continued)**

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	0	0	0

4. COMPLEMENT INFORMATION

(a)	<u>"Positions"</u>	<u>12/31/2012</u>	<u>12/31/2013</u>	<u>2014/15 Budgeted</u>
	State Funds			
	Authorized	0	0	0
	Filled	0	0	0
	Federal Funds			
	Authorized	0	0	0
	Filled	0	0	0
	Other Funds			
	Authorized	130	127	124
	Filled	42	41	42
	Total			
	Authorized	130	127	124
	Filled	42	41	42

*Total Authorized Complement provided is for the entire Purchasing Fund.

(b)	<u>"Agency Benefit Factor"</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
		60.61%	68.99%	75.46%

**PURCHASING FUND
PUBLICATIONS
(continued)**

5. PROGRAM NARRATIVE

This fully augmented Appropriation provides funding to the Bureau of Publications, which serves as the Commonwealth's in-house document production provider. The Bureau provides an array of services including graphic design, web design, desktop publishing, digital and offset printing, mail cleansing, addressing and inserting and sign shop production. In addition, the Bureau compiles and edits the Pennsylvania Manual and the Commonwealth Telephone Directory.

6. PROGRAM PERFORMANCE

Revenue to fund this operation is generated from billings to using agencies based upon services provided.

7. COST ASSUMPTIONS

- (a) The salary for the Deputy Secretary of Procurement has been prorated between the General Government Operations (GGO) Appropriation; the Bureau of Publications; and the Bureau of Supplies and Surplus Operations, Warehouse Division, which reside in the Purchasing Fund.
- (b) Two vacant positions have been funded for 13 pay periods. Revenue generated from the Print Shop consolidation will cover the cost of these positions.
- (c) The Departments of Revenue, Auditor General and Health have transferred their printing functions to the Bureau of Publications. In addition, the Bureau has collaborated with Vital Records and will be printing Birth Certificates.
- (d) The Bureau of Publications has established cooperative leasing of equipment with the Pennsylvania Department of Transportation.
- (e) Expenditures and augmentations for the Appropriation are not included in the Summary by Fund and Appropriation.

**DEPARTMENT OF GENERAL SERVICES
GENERAL FUND
RENTAL AND MUNICIPAL CHARGES**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	22,969	22,969	24,162	1,193	5.19%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>25,491</u>	<u>24,056</u>	<u>23,078</u>	<u>(978)</u>	<u>-4.07%</u>
Total	48,460	47,025	47,240	215	0.46%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	0	0	0	0	0.00%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	22,969	22,969	24,162	1,193	5.19%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>25,491</u>	<u>24,056</u>	<u>23,078</u>	<u>(978)</u>	<u>-4.07%</u>
Total	48,460	47,025	47,240	215	0.46%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	0	0	0	0	0.00%

**GENERAL FUND
RENTAL AND MUNICIPAL CHARGES
(continued)**

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	116	0	0

4. COMPLEMENT INFORMATION

N/A

5. PROGRAM NARRATIVE

The Rental and Municipal Charges Appropriation provides funding for the Commonwealth's lease obligations, operating costs and tax commitments with the Harristown Development Corporation (HDC) for Harristown Buildings I and II, in addition to Forum Place; two office locations in Philadelphia; three office locations in Pittsburgh; leased space in Scranton and office space being utilized at Kutztown University. Costs associated with HDC are prorated between the General Fund and Motor License Fund based upon building occupancy. The costs relating to the Forum Place, two office locations within Philadelphia and the three office locations within Pittsburgh, are prorated to using agencies, based upon building occupancy, with DGS being responsible to fund all costs associated with the vacant space. DGS receives direct funding for the Scranton leased space and Kutztown University solely from the General Fund. The Department has entered into a lease with the Pennsylvania Economic Development Financing Authority to have one consolidated parking lease in Harrisburg for the entire Commonwealth. Details on the billing are still being worked out with the Governor's Budget Office.

6. PROGRAM PERFORMANCE

The Rental and Municipal Charges Appropriation provides funding for the Commonwealth's lease obligations in Harrisburg, Philadelphia, Pittsburgh, Scranton and Kutztown University. Costs are prorated to using agencies, based upon building occupancy.

**GENERAL FUND
RENTAL AND MUNICIPAL CHARGES
(continued)**

7. COST ASSUMPTIONS

- (a) Funding requirements for this Appropriation are based upon lease agreements, projected operating costs and required tax obligations.
- (b) Determination for the requested funds is indicated below (in thousands):
 - Harristown Lease/Operating Expenses - \$21,958
 - Forum Place Lease Expense - \$112
 - Pittsburgh Lease Expense - \$232
 - Philadelphia Lease Expense - \$301
 - Kutztown University Lease Expense - \$27
 - Scranton Lease Expense - \$320
- (c) The leases for Forum Place, Philadelphia Market Street, Pittsburgh Piatt Place, Chamber of Commerce and Stanwix Street locations reflect a lease mandated additional rent increase.
- (d) The Philadelphia Arch Street and Kutztown University leases both have Consumer Price Index (CPI) related increases. The maximum rate of 5% was utilized for the increases to occur later in Fiscal Year 2013-14 and Fiscal Year 2014-15.
- (e) The Samter Building lease expired on October 31, 2012 and is currently in holdover status. As a cost savings initiative, the Bureau of Real Estate has solicited bids to obtain a new location for office space in the Scranton area. The winning bid was for the Bank Towers Building in downtown Scranton, which is anticipated to commence on April 1, 2014.
- (f) The Fiscal Year 2014-15 Budget Request for Harristown has a significant reduction in augmentations as the Department of Labor and Industry has moved out. The General Fund has absorbed all costs previously paid for by these augmentations to remain compliant with all lease obligations. In addition, the Harristown lease costs reflect an increase due to an estimated rise in utility and property tax expenses.
- (g) The Forum Place building is in dire need of some infrastructure repairs and upgrades pertinent to the safety of its tenants. This request includes \$112,000 which will be utilized to replace the fire pump and the emergency "EXIT" lights in the office portion of the building, which are nearing the end of their projected life cycle. In addition, DGS will utilize the special events parking augmentations to replace the emergency "EXIT" lights in the garage portion of the building along with the sprinkler system on levels 1 and 5 of the garage. We are anticipating costs to be approximately \$136,000 for these critical safety repairs.
- (h) The Commonwealth entered into a lease with the Pennsylvania Economic Development Financing Authority (PEDFA) to have one consolidated parking lease in Harrisburg for the entire Commonwealth. This new lease supersedes all previous leases the Commonwealth had with the HPA. The Department of General Services is working with the Governor's Budget Office regarding the details of the billing.
- (i) The Appropriation does not provide funding for General Government Operations.

**DEPARTMENT OF GENERAL SERVICES
GENERAL FUND
RENTAL AND MUNICIPAL CHARGES**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. <u>Available</u>	<u>Percent Change</u>
State Funds	22,969	22,969	24,162	1,193	5.19%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>25,491</u>	<u>24,056</u>	<u>23,078</u>	<u>(978)</u>	<u>-4.07%</u>
Total	48,460	47,025	47,240	215	0.46%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. <u>Available</u>	<u>Percent Change</u>
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	0	0	0	0	0.00%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. <u>Available</u>	<u>Percent Change</u>
State Funds	22,969	22,969	24,162	1,193	5.19%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>25,491</u>	<u>24,056</u>	<u>23,078</u>	<u>(978)</u>	<u>-4.07%</u>
Total	48,460	47,025	47,240	215	0.46%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. <u>Available</u>	<u>Percent Change</u>
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	0	0	0	0	0.00%

**GENERAL FUND
RENTAL AND MUNICIPAL CHARGES
(continued)**

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	116	0	0

4. COMPLEMENT INFORMATION

N/A

5. PROGRAM NARRATIVE

The Rental and Municipal Charges Appropriation provides funding for the Commonwealth's lease obligations, operating costs and tax commitments with the Harristown Development Corporation (HDC) for Harristown Buildings I and II, in addition to Forum Place; two office locations in Philadelphia; three office locations in Pittsburgh; leased space in Scranton and office space being utilized at Kutztown University. Costs associated with HDC are prorated between the General Fund and Motor License Fund based upon building occupancy. The costs relating to the Forum Place, two office locations within Philadelphia and the three office locations within Pittsburgh, are prorated to using agencies, based upon building occupancy, with DGS being responsible to fund all costs associated with the vacant space. DGS receives direct funding for the Scranton leased space and Kutztown University solely from the General Fund. The Department has entered into a lease with the Pennsylvania Economic Development Financing Authority to have one consolidated parking lease in Harrisburg for the entire Commonwealth. Details on the billing are still being worked out with the Governor's Budget Office.

6. PROGRAM PERFORMANCE

The Rental and Municipal Charges Appropriation provides funding for the Commonwealth's lease obligations in Harrisburg, Philadelphia, Pittsburgh, Scranton and Kutztown University. Costs are prorated to using agencies, based upon building occupancy.

**GENERAL FUND
RENTAL AND MUNICIPAL CHARGES
(continued)**

7. COST ASSUMPTIONS

- (a) Funding requirements for this Appropriation are based upon lease agreements, projected operating costs and required tax obligations.
- (b) Determination for the requested funds is indicated below (in thousands):
 - Harristown Lease/Operating Expenses - \$21,958
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 - Pittsburgh Lease Expense - \$232
 - Philadelphia Lease Expense - \$301
 - Kutztown University Lease Expense - \$27
 - Scranton Lease Expense - \$320
- (c) The leases for Forum Place, Philadelphia Market Street, Pittsburgh Piatt Place, Chamber of Commerce and Stanwix Street locations reflect a lease mandated additional rent increase.
- (d) The Philadelphia Arch Street and Kutztown University leases both have Consumer Price Index (CPI) related increases. The maximum rate of 5% was utilized for the increases to occur later in Fiscal Year 2013-14 and Fiscal Year 2014-15.
- (e) The Samter Building lease expired on October 31, 2012 and is currently in holdover status. As a cost savings initiative, the Bureau of Real Estate has solicited bids to obtain a new location for office space in the Scranton area. The winning bid was for the Bank Towers Building in downtown Scranton, which is anticipated to commence on April 1, 2014.
- (f) The Fiscal Year 2014-15 Budget Request for Harristown has a significant reduction in augmentations as the Department of Labor and Industry has moved out. The General Fund has absorbed all costs previously paid for by these augmentations to remain compliant with all lease obligations. In addition, the Harristown lease costs reflect an increase due to an estimated rise in utility and property tax expenses.
- (g) The Forum Place building is in dire need of some infrastructure repairs and upgrades pertinent to the safety of its tenants. This request includes \$112,000 which will be utilized to replace the fire pump and the emergency "EXIT" lights in the office portion of the building, which are nearing the end of their projected life cycle. In addition, DGS will utilize the special events parking augmentations to replace the emergency "EXIT" lights in the garage portion of the building along with the sprinkler system on levels 1 and 5 of the garage. We are anticipating costs to be approximately \$136,000 for these critical safety repairs.
- (h) The Commonwealth entered into a lease with the Pennsylvania Economic Development Financing Authority (PEDFA) to have one consolidated parking lease in Harrisburg for the entire Commonwealth. This new lease supersedes all previous leases the Commonwealth had with the HPA. The Department of General Services is working with the Governor's Budget Office regarding the details of the billing.
- (i) The Appropriation does not provide funding for General Government Operations.

**DEPARTMENT OF GENERAL SERVICES
GENERAL FUND
TEMPORARY FLEET VEHICLES**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>1,273</u>	<u>1,500</u>	<u>1,455</u>	<u>(45)</u>	<u>0.00%</u>
Total	1,273	1,500	1,455	(45)	100.00%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>389</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	389	0	0	0	0.00%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>884</u>	<u>1,500</u>	<u>1,455</u>	<u>(45)</u>	<u>0.00%</u>
Total	884	1,500	1,455	(45)	100.00%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	0	0	0	0	0.00%

**GENERAL FUND
TEMPORARY FLEET VEHICLES
(continued)**

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	0	0	0

4. COMPLEMENT INFORMATION

N/A

5. PROGRAM NARRATIVE

Responsibility for the operation of the Commonwealth's Temporary Fleet Vehicle Program was assigned to the Department under Section 2407 of the Administrative Code of 1929. This Appropriation funded the management of the temporary fleet vehicle contract. Vehicles were provided to individuals traveling on official Commonwealth business for a short-term rental period.

6. PROGRAM PERFORMANCE

In an effort to reduce costs associated with providing the temporary fleet vehicles for Commonwealth business travelers, an outsourcing agreement has been established with Enterprise Rent-A-Car (Enterprise) to provide a comprehensive, government, rental program for passenger vehicles, vans and light-duty commercial vehicles. This agreement provides a high level of service which includes ease in making reservations, guaranteed vehicle availability, pick-up and drop-off service, roadside assistance and flexible, detailed reporting to the Commonwealth.

**GENERAL FUND
TEMPORARY FLEET VEHICLES
(continued)**

7. COST ASSUMPTIONS

- (a) The Department serves as the liaison between Enterprise and using agencies. Payment for services provided by Enterprise will be made by the Department from this Appropriation and reimbursement from using agencies will be obtained through the cost allocation process and accounts receivable billings.
- (b) Enterprise will provide the Commonwealth with a \$100/month fee for utilization of office space at the Commonwealth Garage.
- (c) The Appropriation does not provide funding for General Government Operations.

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**DEPARTMENT OF GENERAL SERVICES
MOTOR LICENSE FUND
TORTS CLAIMS PAYMENTS**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	12,500	10,000	10,000	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	12,500	10,000	10,000	0	0.00%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	1,500	1,500	1,500	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	1,500	1,500	1,500	0	0.00%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

**MOTOR LICENSE FUND
TORTS CLAIMS PAYMENTS
(continued)**

NON-EXPENSE/INTERAGENCY

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	11,000	8,500	8,500	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	11,000	8,500	8,500	0	0.00%

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	0	0	0	0	0.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	0	0	0

4. COMPLEMENT INFORMATION

N/A

5. PROGRAM NARRATIVE

The Motor License Tort Claim Fund was established to respond to claims resulting from the nine categories of sovereign immunity waived by the legislature in Act 152 of 1978, as amended by Act 142 of 1980. The areas specifically applicable to this program include:

Care, custody and control of personal property (excluding the use of nuclear and other radioactive equipment, devices and materials)

Real estate, highways and sidewalks

Potholes, sinkholes and other natural conditions

**MOTOR LICENSE FUND
TORTS CLAIMS PAYMENTS
(continued)**

As a result of the absence of any broad adverse court decisions and effective risk management by the Department of Transportation, the Motor License Tort Claim Fund has maintained a period of financial stability over the past four years. Although there has been an increase in the number of claims filed, much of the activity has been in areas of low severity claims, such as tar and chip, salt and cinder and line painting damages.

Over the past five years there has been a leveling of Motor License Tort Claim Payments, with settlements averaging less than \$8.5 Million annually. However, the trend suggests that the annual payment average will continue in the \$8.5 Million range. Given the current level of funding and relative consistency of the program, continued monitoring will identify any significant changes before they adversely affect the financial stability of the Fund.

6. PROGRAM PERFORMANCE

Program activity in the Motor License Fund Tort Claims Payments Appropriation reflects the combined impact of the severity of weather conditions, operating decisions by the Department of Transportation, effectiveness of the Bureau of Risk and Insurance Management in resolving claims prior to court action and results of litigation conducted by the Office of Attorney General, as well as court decisions and changes in law. The experience of recent years reflects a leveling of annual Motor License Fund tort claims payments and claim-related expenses near \$8.5 Million.

7. COST ASSUMPTIONS

- (a) At this time, the Department does not anticipate adverse court decisions or changes in law that would increase the liability exposure of the Commonwealth.
- (b) The Appropriation does not provide funding for General Government Operations.
- (c) No non-recurring transactions have occurred.

**DEPARTMENT OF GENERAL SERVICES
GENERAL FUND
UTILITY COSTS**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	24,574	21,141	20,281	(860)	-4.07%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>239</u>	<u>379</u>	<u>215</u>	<u>(164)</u>	<u>-43.27%</u>
Total	24,813	21,520	20,496	(1,024)	-4.76%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	0	0	0	0	0.00%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	24,574	21,141	20,281	(860)	-4.07%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>239</u>	<u>379</u>	<u>215</u>	<u>(164)</u>	<u>-43.27%</u>
Total	24,813	21,520	20,496	(1,024)	-4.76%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total	0	0	0	0	0.00%

**GENERAL FUND
UTILITY COSTS
(continued)**

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	7,234	4,858	0

4. COMPLEMENT INFORMATION

N/A

5. PROGRAM NARRATIVE

Funding is utilized for payment of water, sewerage, trash, cable television, electricity and heating fuel costs, including implementation of third-party shared savings programs in Commonwealth-owned buildings maintained by the Department of General Services (DGS).

6. PROGRAM PERFORMANCE

Program activity in the General Fund Utility Costs Appropriation reflects the combined impact of severity of weather conditions, increases in utility costs, energy efficiency of facilities, opening of new facilities and operating decisions of tenant agencies. DGS is striving to improve overall building conditions through implementation of building upgrades and effective facility management to promote the efficient use of energy resources.

7. COST ASSUMPTIONS

- (a) Funding requirements for the Request Year are based upon data provided by Penn State Facilities Engineering Institute (PSFEI) Energy Management Consultants. Estimates were derived by analyzing billing data, information provided by utility companies and historical escalation trends.

**GENERAL FUND
UTILITY COSTS
(continued)**

- (b) Utility costs are projected to increase on an average of 1.74%.
- (c) In Fiscal Year 2011-12, The Office of Administration transferred responsibility of managing the Commonwealth's Cable Television (CATV) services to DGS. All costs associated with the management of these services are reflected in this Appropriation.
- (d) Beginning in Fiscal Year 2012-13, contracted maintenance expenses for trash/waste collection throughout various Commonwealth-owned buildings are charged to the Utility Appropriation.
- (e) Utility expenses are projected to decrease \$1.2 Million due to the Commonwealth migrating data and network services to a cloud-base on-demand structure. The flexible and scalable service eliminates the need for the Commonwealth to maintain onsite IT infrastructure and thereby DGS will not have to support and maintain energy intensive facilities.
- (f) DGS Annex augmentations in the amount of \$215,000 are anticipated.
- (g) The Appropriation does not provide funding for General Government Operations.
- (h) No non-recurring transactions have occurred.

**DEPARTMENT OF GENERAL SERVICES
PURCHASING FUND
WAREHOUSE**

1. SUMMARY FINANCIAL DATA

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. <u>Available</u>	<u>Percent Change</u>
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>3,022</u>	<u>3,019</u>	<u>2,936</u>	<u>(83)</u>	<u>-2.75%</u>
Total	3,022	3,019	2,936	(83)	-2.75%

2. DETAIL BY MAJOR OBJECT

PERSONNEL

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. <u>Available</u>	<u>Percent Change</u>
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>1,596</u>	<u>1,754</u>	<u>1,868</u>	<u>114</u>	<u>6.50%</u>
Total	1,596	1,754	1,868	114	6.50%

OPERATING

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. <u>Available</u>	<u>Percent Change</u>
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>1,426</u>	<u>1,265</u>	<u>1,043</u>	<u>(222)</u>	<u>-17.55%</u>
Total	1,426	1,265	1,043	(222)	-17.55%

FIXED ASSETS

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. <u>Available</u>	<u>Percent Change</u>
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	<u>0</u>	<u>0</u>	<u>25</u>	<u>25</u>	<u>100.00%</u>
Total	0	0	25	25	100.00%

**PURCHASING FUND
WAREHOUSE
(continued)**

OTHER/BUDGETARY RESERVE

(Dollars in Thousands)

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	Budgeted vs. Available	Percent Change
State Funds	0	0	0	0	0.00%
Federal Funds	0	0	0	0	0.00%
Other Funds	0	0	0	0	0.00%
Total	0	0	0	0	0.00%

3. HISTORY OF LAPSES

(Dollars in Thousands)

	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
State Funds	0	0	0

4. COMPLEMENT INFORMATION

(a)	<u>"Positions"</u>	<u>12/31/2012</u>	<u>12/31/2013</u>	<u>2014/15 Budgeted</u>
	State Funds			
	Authorized	0	0	0
	Filled	0	0	0
	Federal Funds			
	Authorized	0	0	0
	Filled	0	0	0
	Other Funds			
	Authorized	130	127	124
	Filled	25	24	24
	Total			
	Authorized	130	127	124
	Filled	25	24	24

*Total Authorized Complement provided is for the entire Purchasing Fund.

(b)	<u>"Agency Benefit Factor"</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
		45.45%	75.10%	81.92%

**PURCHASING FUND
WAREHOUSE
(continued)**

5. PROGRAM NARRATIVE

The Warehouse and Distribution Division of the Bureau of Supplies and Surplus operates three warehouses in the Harrisburg area which consist of 190,000 square feet of space. These facilities include bulk material storage, controlled access (secured), segregated excess property, records storage and retrieval short term/temporary storage and forms/publications storage and retrieval. Use of this space is made available to all Commonwealth agencies under short or long-term agreements.

6. PROGRAM PERFORMANCE

Revenue to fund this operation is generated from billings to using agencies based upon occupied space and administrative costs related to the operation of the program.

7. COST ASSUMPTIONS

- (a) The salary for the Deputy Secretary of Procurement has been prorated between the General Government Operations (GGO) Appropriation; the Bureau of Publications; and the Bureau of Supplies and Surplus Operations, Warehouse Division, which reside in the Purchasing Fund.
- (b) The salary for the Director of Supplies and Surplus Operations and a Clerk Typist 2 are prorated among the GGO, Federal Surplus Property and the Warehouse.
- (c) The vacant Equipment Operator A position will be transferred to the Recruitment Bank.
- (d) The Bureau of Supplies and Surplus Operations, Warehouse and Distribution Division, has worked with the Bureau of Publications to streamline operations. The Bureau of Publications now stores and distributes the Commonwealth Directories along with a variety of corrugated cartons and boxes used by various agencies, resulting in a reduction in operating costs for the Warehouse.
- (e) The Bureau of Supplies and Surplus Operations, Warehouse and Distribution Division, is consolidating warehouse space by eliminating the facility located at 1549 Bobali Drive in Harrisburg. The lease for this location has expired on October 31, 2013 and has reduced our warehouse space by 48,500 square feet. This will result in substantial savings on leases and utilities. Future savings can be expected through delivery route consolidation and productivity enhancements. Initial consolidation costs associated with preparing the Elmerton Avenue and Gibson Boulevard facilities, as well as vacating the Bobali facility, will partially offset the initial lease and utility savings. In addition, there is an expense associated with the scrapping of obsolete materials from the warehouses, which will free up space for the consolidation.
- (f) The Warehouse and Distribution Division anticipates purchasing a used box truck from Federal Surplus Property through the GSA Fixed Price Vehicle Program. They will be retiring one of the older box trucks.
- (g) Expenditures and augmentations for the Appropriation are not included in the Summary by Fund and Appropriation.

**FISCAL YEAR 2013
SUPPLEMENTAL APPROPRIATION REQUEST**

REQUEST:

Identify any Fiscal Year 2012-13 obligations (including dollar amounts) rolled forward to Fiscal Year 2013-14.

RESPONSE:

Appropriation
N/A

**Costs Rolled from
Fiscal Year 2012-13
(Dollars in Thousands)**
N/A

REQUEST:

Identify any appropriations of which you are aware that a Fiscal Year 2013-14 supplemental appropriation is needed. Give the dollar amount and the date when the current appropriation will be exhausted.

RESPONSE:

No supplemental appropriation is being requested.

REQUEST:

Identify cost savings included as part of the budget.

RESPONSE:

- Energy reduction measures
- Reduction of unnecessary building expenses and maintenance contracts
- Reduced vehicle fleet expenses
- Reduction of construction project change orders
- Lease cost savings to other agencies