Office of Missouri State Auditor

Nicole Galloway, CPA

Office of Administration - Division of Facilities Management, Design and Construction

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CITIZENS SUMMARY

Findings in the audit of Office of Administration- Division of Facilities Management, Design and Construction

Maintenance and Repair Funding	Available funding has been insufficient to cover state facility capital improvement maintenance and repair needs; and as a result, the state has accumulated a backlog of deferred maintenance of nearly $600 million. In the last 6 years, due to Governor restrictions, the Facilities Maintenance Reserve Fund received transferred funds of approximately $183 million less than amounts appropriated and most transfers were made late in the fiscal year. The Office of Administration, Division of Facilities Management, Design and Construction (FMDC) did not prepare and provide an annual capital improvement long-range plan to the Governor during fiscal years 2002 through 2013 as statutorily required, and the current plans prepared could provide additional useful information for policymakers.
Prevailing Wage and Contract Procedures	The FMDC did not comply with several requirements of Missouri's prevailing wage law and corresponding state regulations to ensure local prevailing wages were paid to workers employed by contractors and subcontractors. The FMDC did not properly solicit bids for one project or timely approve a contract change.
Work Orders	The FMDC does not fully utilize the computerized maintenance management system to track and monitor work orders for routine (non-capital improvement) maintenance and repair needs.
Electronic Data Security	The FMDC has not established adequate password and security controls to reduce the risk of unauthorized access to the construction project management system. This system maintains confidential information, including vendors' federal identification number or social security number and is used for project management and to authorize vendor payments.
Inspections	The FMDC did not perform periodic inspections of state facilities and leased facilities as required by state law, state regulation, and/or FMDC policy.

In the areas audited, the overall performance of this entity was **Good**.*

***The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Office of Administration
Division of Facilities Management, Design and Construction
Table of Contents

NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Douglas E. Nelson, Commissioner
Office of Administration
and
Cathy Brown, Director
Division of Facilities Management, Design and Construction
Jefferson City, Missouri

We have audited certain operations of the Office of Administration, Division of Facilities Management, Design and Construction, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2015. The objectives of our audit were to:

1. Evaluate the division's internal controls over significant management and financial functions.

2. Evaluate the division's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, contracts, project files, and other pertinent documents; interviewing various personnel of the division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Administration, Division of Facilities Management, Design and Construction.

Nicole R. Galloway, CPA
State Auditor

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1. Maintenance and Repair Funding

The state has accumulated a backlog of capital improvement deferred maintenance of nearly $600 million due to funding limitations. The accumulation of unaddressed maintenance and repair needs will increase the ultimate cost for the related projects.

Background

The Office of Administration (OA), Division of Facilities Management, Design and Construction (FMDC) is responsible for the design, construction, renovation, and repair of state facilities along with reviewing all requests for capital improvement appropriations. The FMDC is required to annually prepare a statewide long-range plan detailing capital improvement needs for new construction/renovation and maintenance and repairs for the next 5 years. The plan excludes the Department of Transportation and state colleges and universities, and does not include project detail for the Department of Conservation. Most maintenance and repair projects included in the long-range plan are considered "deferred maintenance." Deferred maintenance includes maintenance and repairs that were not performed when they should have been due to lack of funding, and therefore were put off or postponed for a future period. The capital improvement long-range plans prepared during fiscal years 2016 and 2015, listed projects by priority type, which we summarized in the following table.

Capital Improvement Long-Range Plan

		Fiscal Year 2016	Fiscal Year 2015
Period Covered		FY17 - FY22	FY16 - FY21
Date Governor Approved		February 2016	February 2015
Deferred Maintenance			
Priority 1	$	232,729,462	386,689,494
Priority 2		193,098,127	185,054,903
Priority 3		174,045,913	164,041,968
Total Deferred Maintenance	$	599,873,502	735,786,365
New Construction/Renovation		536,863,897	419,314,617
Total Capital Improvement Needs	$	1,136,737,399	1,155,100,982

The priority type (project severity rating) is used to help the OA, Division of Budget and Planning determine the need for appropriating funds to complete the project. The priority ratings have the following definitions.

- Priority 1 - Critical for the preservation of a system, facility or program, and should not be delayed: Deterioration is accelerating and delay will result in damage to other systems or components, and/or cause obstruction of facility programs.

- Priority 2 - Necessary for the preservation of a system, facility or program, but can only be delayed for a short time: Delay will not immediately result in a substantial impact to the function of the system, facility, or program.

- Priority 3 - Desirable for the improvement of a system, facility, or program: Delay will not influence current operation of the system, facility, or program.

There are three potential funding sources for state capital improvement maintenance and repair projects, subject to availability and specific terms and conditions (1) the Facilities Maintenance Reserve Fund (FMRF), (2) other state and federal funds, and (3) bond proceeds.

The FMRF was created in November 1996 as a primary source for funding capital improvement maintenance and repair projects at state facilities. Article IV, Section 27(b), Missouri Constitution, requires an annual transfer from the General Revenue Fund (GRF) to the FMRF equal to one percent of the net GRF revenue collections for the preceding year. This section allows the Governor to reduce or eliminate the amount of the transfer during any year, or following a year the Governor made withholdings. The General Assembly appropriates an annual transfer. At the end of each fiscal year, the OA, Division of Budget and Planning calculates the authorized transfer amount based on actual revenue activity for the fiscal year. The calculated amount is used in setting future year transfer appropriations. The Constitution provides that additional transfers to the FMRF may be appropriated in addition to the one percent transfer. FMDC personnel periodically monitor the FMRF cash balance, which can fluctuate significantly due to the timing of transfers in and payments on multi-year contracts. Nearly all of the cash balance is generally obligated to ongoing projects.

The General Assembly may also appropriate monies from other state and federal funds for the purpose of addressing new construction/renovation and/or maintenance and repair needs. Such appropriations are subject to available funds. Because previous bond authorizations had been almost fully utilized, during the 2014 legislative session, Section 8.665, RSMo, was amended to increase the amount of bonds that may be issued by $600 million. Of the $600 million, $200 million is designated for higher education facilities and $400 million is designated for repair or renovation of other existing state buildings or facilities. Bonds for repair and renovation of non-higher education facilities are currently scheduled to be paid from the FMRF and bonds for this purpose were first issued in fiscal year 2016.

1.1 Deferred maintenance liability

Available funding has been insufficient to cover state facility capital improvement maintenance and repair needs; and as a result, the state has a significant deferred maintenance liability. The FMDC did not prepare and provide an annual capital improvement long-range plan to the Governor during fiscal years 2002 through 2013 as statutorily required, and the current plans prepared could provide additional useful information for policymakers.

FMDC personnel indicated a plan had not been prepared from fiscal years 2002 through 2013 because the tracking systems used for projects had been insufficient to accumulate information for this plan and efforts began in 2010 to improve the process, which ultimately led to resumption in preparing the plan in fiscal year 2014. The fiscal year 2016 plan showed the state had $426 million in projects prioritized as critical or necessary to the system affected.

FMRF funding

As summarized in the table below, Governor restrictions impacted the availability and timing of FMRF funding.

		Year Ended June 30,					
		2016	2015	2014*	2013	2012	2011
Calculated Transfers	$	77,683,313	71,952,566	73,863,571	66,803,637	65,252,606	67,088,813
Appropriated Transfers		73,400,000	71,000,000	70,000,000	70,000,000	70,882,154	72,000,000
Funds Restricted**		73,030,152	71,000,000	65,000,000	70,000,000	56,274,540	57,375,605
Funds Released		0	(71,000,000)	(12,000,000)	(70,000,000)	(56,274,540)	(400,000)
Net Restriction		73,030,152	0	53,000,000	0	0	56,975,605
Unrestricted Appropriations/ Actual Transfers	$	369,848	71,000,000	17,000,000	70,000,000	70,882,154	15,024,395
FMRF Expenditures***	$	49,368,316	37,351,801	29,823,198	27,399,327	20,683,418	21,527,210

* The fiscal year 2014 restriction of $53,000,000 was released in February 2014, but restricted again in June 2014.
** FMRF transfer appropriations were restricted in fiscal years 2011 to 2015. In fiscal year 2016, the FMRF transfer appropriation was restricted as a result of restrictions of other GRF appropriations.
*** Expenditures include payments for leasing as noted at section 1.2.

During the 6 years ended June 30, 2016, due to restrictions, the FMRF received transferred funds of approximately $183 million less than amounts appropriated and most remaining appropriated transfers were not made until the end of the corresponding fiscal year. In fiscal years 2011 to 2015, FMRF transfer appropriations were restricted in each year. Restrictions eliminated most of the appropriated transfers in fiscal years 2014 and 2011. Restrictions in fiscal years 2015, 2013, and 2012 were released late in the corresponding fiscal year and the transfers subsequently occurred. Approximately $70.4 million, $39.9 million, and $56.0 million was transferred during the last week of the fiscal year in fiscal years 2015, 2013, and 2012, respectively. In fiscal year 2016, the FMRF transfer appropriation was not restricted, but a transfer of only about $370,000 occurred. OA, Division of Budget and Planning personnel indicated because fiscal year 2016 revenues were less than estimated and there were restrictions of other GRF appropriations, the FMRF transfer appropriation was considered to be restricted. Expenditures from the FMRF totaled $49.4 million, $37.4 million, and $29.8 million in fiscal years 2016, 2015, and 2014, respectively.

When authorized transfers from the GRF to the FMRF are not made, monies are not available for capital improvement maintenance and repair needs. In addition, restrictions of transfer appropriations make it difficult to plan and address maintenance and repair needs in the current year, and may cause postponement of projects to future years. If the timing and availability of the FMRF transfer continues to be uncertain, the FMDC may need to use other funding sources to meet maintenance and repair needs.

Other funding

Expenditures from other state and federal funds, which may include new construction and renovation in addition to maintenance and repair, totaled $37.4 million in fiscal year 2015 and $12.9 million in fiscal year 2014.

For fiscal year 2016, approximately $152.8 million was appropriated to be spent from bond proceeds for repair or renovation projects at state facilities. As of May 2016, $84 million in bonds related to these projects had been issued and bonds to fund the remaining appropriated amount are expected to be issued in fiscal year 2017. While the $152.8 million in bonds will allow the FMDC to fund more projects in the short term, the bond debt service payments, which are currently scheduled to be paid from the FMRF over a 10 to 20 year period, will decrease the availability of FMRF funding for future projects. Overall, bond issuances will address some immediate capital improvement maintenance and repair needs, but a significant deferred maintenance liability will still remain.

Impact on future costs

While the FMDC has made progress in using and budgeting available state funding and bond proceeds to decrease the deferred maintenance liability, a significant liability continues to exist. The accumulation of unaddressed maintenance and repair needs becomes more costly to resolve in future years. Research has indicated deferred maintenance costs increase exponentially over time due to the compounding nature of not addressing maintenance and repair needs. Minor repair work may evolve into major repairs or even replacement when not addressed promptly. A 2004 National Research Council study, as referenced in a July 2012 report issued by the United States Government Accountability Office,[1] estimated each $1 in deferred maintenance results in a long-term capital liability of $4 to $5. Adequately funding maintenance and repair of state facilities during each budget cycle can significantly reduce future expenditures for maintenance and repair needs.

[1] *Federal Buildings Fund: Improved Transparency and Long-term Plan Needed to Clarify Capital Funding Priorities*, United States Government Accountability Office, page 20, <http://www.gao.gov/assets/600/592377.pdf>, accessed on June 27, 2016.

Planning

Prior to resuming preparation of the annual capital improvement long-range plan in fiscal year 2014, the FMDC had not prepared and provided a long-range plan to the Governor since fiscal year 2001. As a result, the Governor and the General Assembly were not provided necessary information for making budgetary decisions regarding the state's long-term capital improvement needs, including deferred maintenance, during this period.

Our review of the recent plans identified information that may be useful for inclusion in future reports. The capital improvement long-range plan does not include information on the funding sources available for capital improvement needs. Including funding information, both currently available and projected, would be beneficial for plan users in making decisions to address the state's deferred maintenance liability. Relevant and beneficial information could include (1) a summary of available sources of funding, including the FMRF, other state and federal funds, and/or bond proceeds; (2) information regarding current obligations, including ongoing projects, bond repayments, future projects, and other payment obligations; and (3) future funding projections, including the impact of FMRF transfer restrictions in whole or in part. In addition, although the long-range plan reports individual projects by agency and priority, the plan does not include total costs by priority. While FMDC personnel indicated they routinely discuss funding and priority needs with Division of Budget and Planning personnel and the General Assembly, including such information in the long-range plan would ensure it is available to all necessary parties and decision makers.

Section 37.010.6, RSMo, requires the FMDC annually submit to the Governor a 5-year long-range plan for the repair, construction, and rehabilitation of all state properties. Without a long-range plan, and the inclusion of funding information and total costs by priority in the plan, the Governor and General Assembly cannot ensure sufficient funding is appropriated to cover identified capital improvement needs.

1.2 FMRF appropriations

The FMDC made lease payments from the FMRF during the 2 years ended June 30, 2015, that are not allowable expenditures from that fund.

The Operations unit manages and operates state facilities and allocates facility operational costs such as unit personnel, expense and equipment, and fuel and utilities to the various tenant agencies. The FMDC processes payments for these services, termed "lease payments," on behalf of the tenant agencies. The General Assembly has been appropriating FMRF funds for lease payments of the Department of Revenue (DOR), and during the 2 years ended June 30, 2015, FMDC personnel processed lease payments totaling $989,000 from that fund on behalf of the DOR. Division personnel indicated they identified this issue in fiscal year 2010 and began to move these lease payments to the GRF as funds became available. The DOR lease payment appropriation moved to the GRF in fiscal year 2016.

Article IV, Section 27(b)(4), Missouri Constitution states the General Assembly may appropriate monies from the FMRF to be used for the maintenance, repair, or renovation of state facilities. The Missouri Constitution does not provide for the FMRF to be used for the operation of state facilities. The General Assembly should evaluate the restrictions on FMRF expenditures before appropriating monies from the fund. Furthermore, by appropriating and making lease payments from the FMRF, less monies are available to fund capital improvement maintenance and repair needs.

Recommendations

The FMDC:

1.1 Continue to work with the General Assembly, the Governor, and the Division of Budget and Planning to ensure necessary capital improvement maintenance and repairs of state facilities are adequately funded in a timely manner. In addition, continue to prepare and provide a capital improvement long-range plan annually to the Governor as required by state law, and consider adding funding information and projections, and totals by priority, to the plan to provide information necessary for making decisions to address the state's maintenance and repair needs.

1.2 Continue to work with the General Assembly to ensure all appropriated expenditures from the FMRF comply with the Missouri Constitution.

Auditee's Response

1.1 The FMDC agrees that necessary capital improvements and repairs need to be adequately funded in a timely manner. The FMDC will continue to work with the General Assembly, as well as the Governor and the OA/Division of Budget and Planning, providing the necessary information (including long-range plans) to assist them in making their decisions. However, the appropriation of funds, and the availability of funds after appropriation are beyond the FMDC's control. The FMDC will consider adding additional language to the long-range plans. However, due to the lack of control over funding streams it is unlikely that funding information can be included in an accurate and timely manner.

1.2 The FMDC agrees that all appropriated expenditures from the FMRF should comply with the Missouri Constitution. The FMDC will continue to work with the General Assembly as well as the Governor and the OA/Division of Budget and Planning, by providing the necessary information to assist them in making their decisions in accordance with the Missouri Constitution.

2. Prevailing Wage and Contract Procedures

The FMDC's prevailing wage and contract procedures need improvement. The Planning and Design unit is responsible for capital improvement projects, including new construction and maintenance and repair projects, at most state facilities. The unit was responsible for approximately 660 projects at various stages of completion during fiscal years 2015 and 2014.

2.1 Prevailing wages

The FMDC did not comply with several requirements of Missouri's prevailing wage law and corresponding state regulations to ensure local prevailing wages were paid to workers employed by contractors and subcontractors.

Contract provisions

The FMDC does not incorporate language into the prevailing wage section of contracts requiring contractors and subcontractors to pay a penalty for any worker who is paid less than the prevailing rate, as required by Section 290.250.1, RSMo.

Project notifications

The FMDC does not send a prevailing wage project notification report to the Department of Labor and Industrial Relations (DLIR), Division of Labor Standards notifying the division of the start of a public works project and other basic information about the project, as required by Section 290.262.12, RSMo, and 8 CSR 30-3.010(3). FMDC personnel indicated this information had not been submitted to the DLIR for approximately 3 years due to personnel changes.

Monitoring

The FMDC has not established policies and procedures to adequately monitor contractors and subcontractors to ensure payment of prevailing wage rates.

Section 290.290.1, RSMo, requires contractors and subcontractors that engage in construction of public works projects to keep records indicating the names, occupations, hours worked, and wages paid every worker on the project. State regulation, 8 CSR 30-3.010(6) requires the contractors to submit certified copies of current payrolls to the public body and the public body to retain the payrolls for 1 year after final payrolls are received. Section 290.290.2, RSMo, requires the public body to obtain an affidavit of prevailing wage compliance from all contractors and subcontractors before making final payment on the project. State regulation, 8 CSR 30-3.010(7) requires public bodies to examine the payroll records of each contractor or subcontractor, of a frequency that may be necessary to assure compliance with the provisions of the law. The regulation provides the examination shall be made after the project has been substantially completed and prior to acceptance of the project, and that particular attention should be given to the correctness of classifications and any disproportionate employment of any workers.

FMDC personnel do not review payroll records received from the contractors and subcontractors and indicated they were not aware of the requirements to monitor for compliance with prevailing wage requirements. Our review of six projects for compliance with the state's prevailing wage law and regulations noted the following:

- For one project, the FMDC did not obtain payroll records from a subcontractor.

- For one project, the FMDC did not obtain affidavits of compliance with the state's prevailing wage law from two subcontractors.

- For three projects, payroll records listed some employees with assigned occupational classifications not included in the DLIR wage orders listing the minimum prevailing hourly wage rates. Thus, a determination of compliance with prevailing wage requirements could not be made.

- For three projects, payroll records indicated some employees were paid less than the prevailing hourly wage rates. Records for two of the projects indicated the employees were apprentices. State regulation, 8 CSR 30-3.030, allows employees registered and participating in certain apprentice or trainee programs of the U.S. Department of Labor or the U.S. Department of Transportation to be paid less than the prevailing wage rates; however, the FMDC did not verify these employees met the applicable requirements.

Without policies and procedures to monitor prevailing wage documentation, the FMDC cannot ensure compliance with state law and regulations.

2.2 Contract procedures

The FMDC did not properly solicit bids for one project or timely approve a contract change.

As authorized by 1 CSR 30-3.025(11), the FMDC periodically bids and awards standing job order contracts (JOC) for frequently-procured services, such as maintenance, construction, repair, rehabilitation, renovation, or alteration of facilities if the work is of a recurring nature. Contracts can be awarded using JOCs for projects costing less than $300,000 and should substantially include the pre-described and pre-priced tasks outlined in the JOC. The JOC rates are typically set at a percentage of the standard rates in a published construction unit price book. For projects over $300,000 or projects needing services not provided in the JOC, the FMDC solicits proposals through the bidding process.

Our review of 25 projects ongoing during the 2 years ended June 30, 2015, for compliance with state bidding requirements and FMDC's contract monitoring, project management, and payment review and approval procedures noted the following:

- A project to rebuild a sewer system totaling $259,000 was awarded using a JOC; however, approximately 85 percent of the work on the project was outside the scope of the JOC and was not bid. For those services included in the JOC, the contractor billed the FMDC at the JOC rates of 70 percent of the standard published rates. For the services not included in the JOC, the contractor billed 100 percent plus a 10 percent markup for overhead and profit.

- The FMDC did not approve a contract change until after the related work had been started. The FMDC used a contract change order to add a project to extract a time capsule from the State Capitol building. The time capsule was extracted on June 9, 2015, but the contract change was not approved by the responsible project manager until June 29, 2015.

Section 8.250.3, RSMo, requires the state to publically advertise bids for real property construction, renovation, and repair projects exceeding $100,000, and award the bid to the lowest, responsive, responsible bidder. For projects between $25,000 and $100,000, the state is required to solicit bids from three contractors and award the bid to the lowest bidder. The FMDC should comply with state bidding requirements for all projects and utilize JOCs only when projects are substantially within the scope of a standing JOC. In addition, 1 CSR 30-3.040(3)(G), requires contract changes to be approved by the FMDC director or her designee before the proposed work shall proceed.

Recommendations

The FMDC:

2.1 Establish policies and procedures to ensure contracts include penalty provisions for paying less than the prevailing rate, project notification reports are remitted to the DLIR, and prevailing wage rates are paid on all applicable projects as required by state law and state regulations.

2.2 Ensure all projects are competitively bid in accordance with state law and contract changes are approved before the proposed work is performed as required by state regulation.

Auditee's Response

2.1 The FMDC will incorporate language into its contracts clarifying the potential penalties that apply by virtue of Section 290.250.1, RSMo.

The FMDC concurs and will submit prevailing wage project notification reports to the DLIR.

The FMDC complies with all requirements of Section 290.290, RSMo, regarding prevailing wage documentation. FMDC personnel have been reminded of the importance of obtaining all payroll records and affidavits of compliance for each project without exception. State statutes, including Section 290.240, RSMo, make clear that the DLIR, not the FMDC, must "inquire diligently as to any violation" of the prevailing wage laws and "enforce generally the provisions of" the prevailing wage laws. State regulation, 8 CSR 30-3.010(7) calls for the FMDC to "make examinations . . . as may be necessary to assure compliance with the provisions of the [prevailing wage] law." Because the possible consequences for a contractor who fails to comply with prevailing wage requirements on an FMDC project are severe—including penalties, being held in breach of contract, and being barred from bidding on future FMDC projects—only a limited level of examination is "necessary to assure compliance." The FMDC will re-evaluate additional methods of examining prevailing wage compliance.

2.2 The FMDC diligently strives to ensure all projects are appropriately bid as required by state law and regulations and will continue to evaluate JOC projects to ensure appropriate usage occurs. The FMDC will carefully monitor any future contract changes to ensure those receive written authorization prior to the execution of the work.

3. Work Orders

The FMDC does not fully utilize the computerized maintenance management system (CMMS) to track and monitor work orders for routine (non-capital improvement) maintenance and repair needs. Formal procedures and training regarding the system have not been implemented; and as a result, system data is not always accurate, complete, and up to date.

The Operations unit is responsible for addressing the routine maintenance and repair needs of most state facilities. When a basic repair or preventive maintenance need arises (such as HVAC, boiler system, or electrical repairs; changing lightbulbs; or repairing a broken window), the tenant agency contacts the FMDC to establish a work order. The FMDC implemented the current CMMS system in 2007 as required by 1 CSR 30-4.030, to track work orders for routine maintenance and repairs. The system tracks various information, including the date the request was received and entered, the date the work was completed, the number of hours worked, and any non-labor costs. The approximately 400 FMDC maintenance workers are responsible for entering their assigned work orders into the CMMS. Once the work is complete, the maintenance worker's supervisor approves and closes the work order in the system.

The FMDC utilizes the CMMS to document work orders, but the system is not fully utilized for tracking and monitoring work orders. FMDC personnel indicated staff of only some facilities are utilizing CMMS data for monitoring purposes. In addition, the FMDC has not established procedures to ensure system information is accurate, complete, and up to date and the FMDC has not established written procedures or formal training regarding the CMMS. FMDC personnel indicated employee training and instruction regarding the system is limited to on-the-job training provided by immediate supervisors.

We analyzed CMMS data related to the approximately 533,500 work orders entered into the CMMS during the 2 years ended June 30, 2015. Our analysis identified approximately 53,200 (10 percent) work orders that were not entered into the system until after the work was completed. For these work orders, the system showed a completion date prior to the request date. The request date shown in the system is the date the work order was entered. We identified another approximately 11,500 (2 percent) work orders shown as complete, but the completion date was not recorded in the system.

In addition, we further reviewed 14 completed work orders and supporting documentation. We identified 4 work orders for which the number of hours spent was not entered into the CMMS and 2 work orders that were not closed until at least 16 months after the work was completed. Our analysis of CMMS data also showed, and FMDC personnel acknowledged, that there were backlogs of work orders at some facilities. However, because the system data is not accurate, complete, or up to date, we nor FMDC personnel could determine the extent of the backlogs.

FMDC personnel indicated they were aware of these issues and that there may be instances where work orders were never entered into the system. They indicated it is difficult to train and monitor the numerous employees responsible for entering the information in the system.

State regulations, 1 CSR 30-4.030(3)(B) and (6) require the FMDC to develop and implement a computerized maintenance management system to track all aspects of facility maintenance functions. The regulations require the system to include standardized procedures and measurements of preventive maintenance, work orders, supply, inventory, labor time, purchase orders, cost, maintenance, and work order history in the daily operations of each facility. To satisfy the intent of state regulations and monitor work order activities, the FMDC should fully utilize the CMMS to track and assign pending work orders, monitor productivity and ensure the effective allocation of resources, and identify and minimize maintenance and repair backlogs. To allow for full utilization of the system, procedures must first be developed to ensure system data is complete, accurate, and entered timely. Developing written procedures and formalized training regarding entering and reviewing data would help ensure the validity of system data.

Recommendation

The FMDC develop and implement procedures to fully utilize the CMMS to monitor maintenance and repair work order activities and ensure complete and accurate work order information is timely entered into the system.

Auditee's Response

The FMDC is in the process of improving procedures and training to fully utilize the ARCHIBUS CMMS. Formal training procedures for using ARCHIBUS are also being researched with implementation of a viable training protocol to follow.

4. Electronic Data Security

The FMDC has not established adequate password and security controls to reduce the risk of unauthorized access to the construction project management system used by the Planning and Design unit. This system maintains confidential information, including vendors' federal identification number or social security number and is used for project management and to authorize vendor payments.

4.1 Passwords

Users of the construction project management system are not required to change passwords periodically to help ensure passwords remain known only to the assigned user and to reduce the risk of a compromised password. In addition, passwords are not kept confidential as 3 accounting section employees have access to the password information for all users.

Passwords are required to authenticate access to the system. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed and are known by employees within the accounting section, there is less assurance passwords are effectively limiting access to the system and data to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of systems and data.

4.2 Security controls

Security controls are not in place to lock the construction project management system after a specified number of incorrect logon attempts. Logon attempt controls lock the capability to access a computer or system after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendations

The FMDC:

4.1 Require unique passwords that are confidential and periodically changed to prevent unauthorized access to the construction project management system.

4.2 Require security controls be established to lock the construction project management system after a specified number of incorrect logon attempts.

Auditee's Response

4.1 The FMDC agrees with the need for data system security. Current systems are in need of updates. The FMDC will immediately work to upgrade these systems, including upgrades to password protocols. In addition, all FMDC employees take ongoing OA/Information Technology Services Division cyber security training.

4.2 The FMDC will work to upgrade the system to include locking the system after a specified number of incorrect logon attempts.

5. Inspections

The FMDC does not perform periodic inspections of state and leased facilities as required. The FMDC operates, maintains, and manages state-owned buildings and other structures throughout the state and also oversees leased property for agencies statewide.

5.1 State facilities

The FMDC does not perform periodic inspections of all state facilities as required by state law and state regulation.

The FMDC is required to perform two types of inspections of all state facilities (1) annual inspections to identify and review capital improvement needs included in the capital improvement long-range plan and (2) inspections performed at least once every 4 years to identify routine maintenance and repair needs.

FMDC personnel indicated the facility assessment group responsible for performing periodic inspections was eliminated in 2007 due to a reduction in staff. FMDC personnel indicated capital improvement inspections are currently performed only if a specific need arises and the FMDC relies on state agency personnel or Operations unit personnel assigned to the state facilities to identify and communicate capital improvement or maintenance and repair needs to the FMDC. In response to our audit recommendations, FMDC personnel indicated they have increased the number of managers responsible for performing routine maintenance and repair inspections and have placed a higher priority on completing these inspections.

We requested documentation of the most recent inspection for three state facilities. Capital improvement inspections were last performed for these three facilities in April and June 2006 and October 2012. Routine maintenance inspections had not been performed for these facilities since 2007. The FMDC has scheduled maintenance inspections to occur at these facilities in 2016.

Section 8.360, RSMo, requires the FMDC to inspect all facilities and report annually to the General Assembly on their condition, maintenance, repair, and utilization. In addition, 1 CSR 30-4.030(3)(C), requires regular periodic condition assessment inspections of all facility elements and systems no less than every 4 years. Periodic inspections are necessary to ensure facilities are being adequately maintained and to identify capital improvement and routine maintenance and repair needs.

5.2 Leased facilities

The FMDC does not always perform annual inspections of facilities leased from non-state entities, as required by FMDC policy.

The FMDC is responsible for procuring and managing contracts for facilities leased from non-state entities for most state agencies. Most leases are for a 1-year period, and have options for annual renewal for several years. The FMDC managed 576 leases of real property as of June 30, 2015, with annual lease payments totaling approximately $31 million.

We reviewed five fiscal year 2015 leases of real property with annual lease payments totaling approximately $1.8 million, four of which had been in effect long enough to require an inspection. Our review found the leases for all four of these properties had been renewed annually for several years, but annual inspections had not occurred. One of these properties had not been inspected since fiscal year 2011, another had not been inspected since fiscal year 2012, and a third was last inspected in fiscal year 2014. One had received an inspection in fiscal year 2015, but not in fiscal year 2014. FMDC personnel indicated an inadequate number of leased facility inspectors has resulted in all leased properties not being annually inspected.

The FMDC's Policy Governing the Acquisition and Management of Leased Property requires annual inspections of a leased property to provide information on a lessor's performance to be used when deciding to extend the lease or award a new lease. Periodic inspections of leased property help determine the physical condition of the property and can be used to ensure lessors are maintaining the property as required by the lease contract.

Recommendation

The FMDC perform periodic inspections of all state facilities as required by state law and state regulation, and perform annual inspections of all leased property as required by policy.

Auditee's Response

The FMDC has attempted to appropriately inspect leased facilities even during challenging times. We have reinforced the assignment of staff to ensure this effort is occurring. In addition, the tenants in leased space are well-versed in the process of notifying FMDC so that issues can be addressed through the lessor as they arise. The FMDC concurs with the recommendation to perform periodic inspections of all state leased facilities and will increase the number of inspections at leased facilities.

In regard to state facilities, the 4-year inspections to identify routine maintenance and repair needs have been scheduled and are now occurring. The Operations unit is assisting the Capital Improvement Planning unit within the Planning and Design unit, to ensure that the annual facility inspections are completed and appropriately documented. Maintenance staff is available at all owned locations to ensure operations are continually ongoing. In addition, the FMDC provides a capital improvement report annually to re-prioritize facility needs.

The Division of Facilities Management, Design and Construction (FMDC) is a division of the Office of Administration (OA). The FMDC was created in 2005 by Executive Order 05-08, that consolidated the Division of Facilities Management and the Division of Design and Construction into one division.

The FMDC operates, maintains, and manages state-owned buildings and other structures throughout the state; oversees leased property for agencies statewide; and is responsible for the design, construction, renovation, and repair of state facilities along with reviewing all requests for capital improvement appropriations. The FMDC is organized into 4 major units.

The Operations unit maintains and operates state facilities across the state with the exception of the Department of Conservation, the Department of Transportation, and state colleges and universities. The responsibility for operating and maintaining correctional facilities was transferred from the FMDC to the Department of Corrections during fiscal year 2014 and the related appropriation authority was transferred in fiscal year 2015. At June 30, 2015, the unit was responsible for 51 state-owned facilities containing approximately 3.8 million square feet of usable office space and 117 institutional facilities containing approximately 8 million square feet of space.

The Real Estate Services unit is responsible for the procurement and management of leases within state-owned and leased space for state agencies throughout the state with the exception of the General Assembly, Elected Officials, the Judiciary, the Department of Conservation, the Department of Transportation, and state colleges and universities. The unit is also responsible for the coordination of other real estate transactions on behalf of the state including the sale of state-owned property, purchase of property, and granting easements. In addition, the unit oversees budgeting and payment processing for all state-owned, institutional, and leased facilities. As of June 30, 2015, there were 576 leases containing approximately 3.2 million square feet of space.

The Planning and Design unit is responsible for the oversight of maintenance and repair, as well as new construction projects at state facilities (excluding projects at the Department of Conservation, the Department of Transportation, and state colleges and universities). The unit develops, contracts, and reviews plans and specifications for construction, selects architectural/engineer consultants, oversees construction through project management and construction administration, and processes all project payments. The unit is also responsible for capital improvement planning and budgeting, which includes maintaining information on the condition of all state facilities; preparing a long-range plan for the repair, construction, and rehabilitation of all state facilities; and overseeing expenditures of capital improvement appropriations statewide.

The Energy unit is responsible for monitoring energy consumption and developing and implementing programs to reduce energy consumption in state-owned buildings.

The FMDC is responsible for payment processing for all capital improvement projects and leases. Monies for these expenditures are generally appropriated directly to the OA on behalf of various state agencies and the FMDC processes the payments on behalf of the agencies. The FMDC processed capital improvement and leasing expenditures for other state agencies totaling approximately $154 million during the year ended June 30, 2015, and $169 million during the year ended June 30, 2014 (see Appendix D).

Cathy Brown was appointed Division Director effective October 2010. The FMDC employed 472 full-time employees and 10 part-time employees as of June 30, 2015.

Appendix A-1

Office of Administration
Division of Facilities Management, Design and Construction
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2015

		Facilities Maintenance Reserve Fund	Fulton State Hospital Series A 2014 Bond Proceeds Fund	State Facility Maintenance and Operation Fund*	Rebuild Damaged Infrastructure Fund	Total (Memorandum Only)
RECEIPTS						
Bond sales proceeds	$	0	95,001,687	0	0	95,001,687
Interagency:						
Facility leases		0	0	61,475,121	0	61,475,121
Reimbursements/recovery costs		0	0	4,412,948	0	4,412,948
Sales		0	0	235,767	0	235,767
Parking rentals/leases		0	0	64,269	0	64,269
Refunds/rebates		155,362	0	25,342	0	180,704
Donations		0	0	20,005	0	20,005
Interest		439,613	194,474	0	15,863	649,950
Miscellaneous		0	0	16,117	0	16,117
Total Receipts		594,975	95,196,161	66,249,569	15,863	162,056,568
DISBURSEMENTS						
Personal services		0	0	17,888,035	0	17,888,035
Employee fringe benefits		0	0	9,918,872	0	9,918,872
Expense and equipment		0	0	1,348,804	0	1,348,804
Supplies		0	0	3,256,541	0	3,256,541
Fuel and utilities		0	0	20,905,141	0	20,905,141
Services:						
Professional		4,601,861	170,294	1,095,489	0	5,867,644
Housekeeping and janitorial		0	0	3,428,570	0	3,428,570
Maintenance and repair		0	0	2,762,501	0	2,762,501
Property and improvements		6,836,097	1,370,669	580,181	5,556,337	14,343,284
Debt service		5,535,811	0	4,203,684	0	9,739,495
Leases and rentals		0	0	720,636	0	720,636
Other		0	0	288,863	0	288,863
Total Disbursements		16,973,769	1,540,963	66,397,317	5,556,337	90,468,386
RECEIPTS OVER (UNDER) DISBURSEMENTS		(16,378,794)	93,655,198	(147,748)	(5,540,474)	71,588,182
OTHER FINANCING SOURCES (USES)						
Transfers from:						
State Facility Maintenance and Operation Fu		48,863	0	0	0	48,863
General Revenue Fund		71,000,000	0	0	0	71,000,000
Proceeds of Surplus Property Fund		0	0	4,564	0	4,564
Insurance Dedicated Fund		0	0	0	10,000,000	10,000,000
Transfers to:						
Facilities Maintenance Reserve Fund		0	0	(48,863)	0	(48,863)
Funding sources received by other agencies		43,465	0	0	0	43,465
Appropriations exercised by other state agencies		(20,378,032)	0	0	0	(20,378,032)
Total Other Financing Sources (Uses)		50,714,296	0	(44,299)	10,000,000	60,669,997
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)		34,335,502	93,655,198	(192,047)	4,459,526	132,258,179
CASH AND INVESTMENTS, JULY 1, 2014		99,968,184	0	5,072,738	4,015,291	109,056,213
CASH AND INVESTMENTS, JUNE 30, 2015	$	134,303,686	93,655,198	4,880,691	8,474,817	241,314,392

* Effective fiscal year 2015, responsibility and appropriation authority for operating and maintaining correctional facilities was transferred from the Division of Facilities Management, Design and Construction to the Department of Corrections.

Appendix A-2

Office of Administration
Division of Facilities Management, Design and Construction
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2014

	Facilities Maintenance Reserve Fund	State Facility Maintenance and Operation Fund	Rebuild Damaged Infrastructure Fund	Total (Memorandum Only)
RECEIPTS				
Interagency:				
Facility leases	$ 0	106,908,536	0	106,908,536
Reimbursements/recovery costs	79,265	3,719,969	0	3,799,234
Sales	0	257,169	0	257,169
Parking rentals/leases	0	63,552	0	63,552
Refunds/rebates	4,300	93,280	0	97,580
Donations	0	26,625	4,000,000	4,026,625
Interest	512,366	0	15,291	527,657
Miscellaneous	0	18,050	0	18,050
Total Receipts	595,931	111,087,181	4,015,291	115,698,403
DISBURSEMENTS				
Personal services	0	25,647,841	0	25,647,841
Employee fringe benefits	0	12,920,757	0	12,920,757
Expense and equipment	0	1,766,199	0	1,766,199
Supplies	0	7,527,485	0	7,527,485
Fuel and utilities	0	50,126,950	0	50,126,950
Services:				
Professional	2,438,025	1,249,112	0	3,687,137
Housekeeping and janitorial	0	3,618,094	0	3,618,094
Maintenance and repair	0	4,077,030	0	4,077,030
Property and improvements	7,343,122	730,844	0	8,073,966
Debt service	5,535,811	2,414,577	0	7,950,388
Leases and rentals	0	726,555	0	726,555
Other	0	382,649	0	382,649
Total Disbursements	15,316,958	111,188,093	0	126,505,051
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,721,027)	(100,912)	4,015,291	(10,806,648)
OTHER FINANCING SOURCES (USES)				
Transfers from:				
General Revenue Fund	17,000,000	0	0	17,000,000
Proceeds of Surplus Property Fund	0	3,337	0	3,337
Appropriations exercised by other state agencies	(14,506,240)	0	0	(14,506,240)
Total Other Financing Sources (Uses)	2,493,760	3,337	0	2,497,097
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(12,227,267)	(97,575)	4,015,291	(8,309,551)
CASH AND INVESTMENTS, JULY 1, 2013	112,195,451	5,170,313	0	117,365,764
CASH AND INVESTMENTS, JUNE 30, 2014	$ 99,968,184	5,072,738	4,015,291	109,056,213

Appendix B

Office of Administration
Division of Facilities Management, Design and Construction
Comparative Statement of Appropriations and Expenditures

		2015			2014			
		Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	
GENERAL REVENUE FUND								
Office of Administration real property leases*	$	542,205	518,267	23,938	466,052	388,493	77,559	
Office of Administration state-owned facilities*		2,414,035	2,328,006	86,029	2,388,444	2,388,444	0	
Stonework, window repair, other structural repair, and renovations for the State Capitol Complex		48,794,123	1,487,594	47,306,529	50,000,000	205,877	49,794,123	**
Total General Revenue Fund		51,750,363	4,333,867	47,416,496	52,854,496	2,982,814	49,871,682	
FACILITIES MAINTENANCE RESERVE FUND								
Debt service for guaranteed energy cost savings contracts		5,535,815	5,535,811	4	5,535,815	5,535,811	4	
Maintenance, repairs, replacements, unprogrammed requirements, emergency requirements, operational maintenance and repair, and improvements at facilities statewide		35,281,052	8,121,767	27,159,285	33,517,058	7,557,120	25,959,938	**
Supreme Court-HVAC projects		2,750	2,750	0	1,599,756	1,597,006	2,750	**
Unprogrammed maintenance and repair requirements at facilities statewide		23,082	12,746	10,336	499,816	477,753	22,063	**
Maintenance, repairs, replacements, and improvements at facilities statewide		6,470,732	797,181	5,673,551	26,399,892	0	26,399,892	**
Emergency and unprogrammed requirements at facilities statewide		1,887,242	33,109	1,854,133	6,150,000	0	6,150,000	**
Statewide assessment, abatement, removal, remediation and management of hazardous materials and pollutants at state facilities		1,760,392	1,113,365	647,027	2,698,071	0	2,698,071	**
Statewide roofing management system at state facilities		7,887,373	142,534	7,744,839	10,074,339	83,286	9,991,053	**
Statewide electrical improvements at state facilities		8,409,955	0	8,409,955	9,941,518	0	9,941,518	**
Statewide elevator improvements at state facilities		535,430	535,429	1	3,129,040	0	3,129,040	**
Statewide fire safety improvements at state facilities		9,439,806	40,283	9,399,523	8,308,771	41,848	8,266,923	**
Statewide heating, ventilation, and air conditioning improvements at state facilities		7,822,895	593,788	7,229,107	11,769,175	1,536	11,767,639	**
Statewide plumbing improvements at state facilities		1,640,650	0	1,640,650	3,275,189	0	3,275,189	**
Security improvements at facilities statewide		20,440	0	20,440	2,534,564	0	2,534,564	**
Emergency maintenance and repair requirements at facilities statewide		1,827,557	0	1,827,557	2,000,000	0	2,000,000	**
Appraisals and surveys		577,402	45,006	532,396	600,000	22,598	577,402	**
Hazmat Remediation		446,744	0	446,744	461,468	0	461,468	**
Total Facilities Maintenance Reserve Fund		89,569,317	16,973,769	72,595,548	128,494,472	15,316,958	113,177,514	
FULTON STATE HOSPITAL SERIES A 2014 BOND PROCEEDS FUND								
Completion of design and construction to replace Fulton State Hospital		1,540,964	1,540,963	1	0	0	0	
Total Fulton State Hospital Series A 2014 Bond Proceeds Fund		1,540,964	1,540,963	1	0	0	0	
STATE FACILITY MAINTENANCE AND OPERATION FUND								
Office of Administration real property leases		243,523	214,930	28,593	243,706	219,617	24,089	
Facilities Management, Design and Construction Division - expense and equipment		35,094,767	34,887,406	207,361	44,979,614	44,944,155	35,459	
Facilities Management, Design and Construction Division - personal service		18,033,426	17,812,624	220,802	20,160,314	20,156,568	3,746	
Modifications, replacement, repair costs, and other support services at state-operated facilities or institutions when recovery is obtained from a third party		2,000,000	311,408	1,688,592	2,000,000	365,865	1,634,135	
Donated funds to support renovations and operations of the Governor's Mansion		60,000	1,546	58,454	60,000	14,751	45,249	
Information Technology Services Division - personal service		91,885	75,411	16,474	91,059	82,502	8,557	
Information Technology Services Division - expense and equipment		288,084	235,507	52,577	270,084	217,354	52,730	
Unemployment benefits		66,377	12,241	54,136	65,452	7,442	58,010	
Payment of the state's lease/purchase debt requirements		2,434,339	2,434,328	11	2,593,241	2,414,577	178,664	
Office of Administration state-owned facilities		496,566	493,044	3,522	485,804	485,804	0	

Appendix B

Office of Administration
Division of Facilities Management, Design and Construction
Comparative Statement of Appropriations and Expenditures

		2015			2014			
		Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	
Facilities Management, Design and Construction Division - correctional facilities - personal service ***		0	0	0	5,416,537	5,408,771	7,766	
Facilities Management, Design and Construction Division - correctional facilities - expense and equipment ***		0	0	0	23,951,492	23,949,930	1,562	
Total State Facility Maintenance and Operation Fund		58,808,967	56,478,445	2,330,522	100,317,303	98,267,336	2,049,967	
OFFICE OF ADMINISTRATION REVOLVING ADMINISTRATIVE TRUST FUND								
Payment of costs associated with state-owned space occupied by non-state agencies		378,314	261,053	117,261	378,315	257,338	120,977	
Payment of costs associated with institutional space occupied by non-state agencies		529,826	519,124	10,702	749,590	442,117	307,473	
Payment of costs associated with state leased space occupied by non-state agencies*		591,860	3,518	588,342	372,095	47,309	324,786	
Disbursement of recovered costs related to capital improvements		200,000	109,590	90,410	200,000	0	200,000	**
Total Office of Administration Revolving Administrative Trust Fund		1,700,000	893,285	806,715	1,700,000	746,764	953,236	
REBUILD DAMAGED INFRASTRUCTURE FUND								
Provide funding for the reconstruction, replacement, or renovation of, or repair to, any infrastructure damaged by a presidentially declared natural disaster in any home rule city with more than forty-seven thousand but fewer than fifty-two thousand inhabitants and partially located in any county of the first classification with more than one hundred fifteen thousand inhabitants		5,556,337	5,556,337	0	14,000,000	0	14,000,000	**
Total Rebuild Damaged Infrastructure Fund		5,556,337	5,556,337	0	14,000,000	0	14,000,000	
Total All Funds	$	208,925,948	85,776,666	123,149,282	297,366,271	117,313,872	180,052,399	

The lapsed balances include the following withholdings made at the Governor's request:

		Year Ended June 30, 2015	2014
General Revenue Fund			
Office of Administration real property leases	$	19,109	13,982
Office of Administration state-owned facilities		69,578	0
Total General Revenue Fund	$	88,687	13,982

* Office of Administration divisions other than the Division of Facilities Management, Design and Construction also spend from these appropriations. Other division expenditures totaled $2,224,802 in fiscal year 2015, and $2,458,455 in fiscal year 2014.

** Biennial appropriations set up in fiscal year 2014 are re-appropriations to fiscal year 2015. After the fiscal year-end processing has been completed, the unexpended fiscal year 2014 appropriation balance for a biennial appropriation is established in fiscal year 2015. Therefore, there is no lapsed balance for a biennial appropriation at the end of fiscal year 2014.

*** Effective fiscal year 2015, responsibility and appropriation authority for operating and maintaining correctional facilities was transferred from the Division of Facilities Management, Design and Construction to the Department of Corrections.

Appendix C

Office of Administration
Division of Facilities Management, Design and Construction
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2015*	2014	2013	2012	2011
Salaries and wages	$ 17,888,035	25,647,841	25,426,439	25,264,275	23,221,905
Travel, in-state	164,322	115,736	124,454	119,744	96,747
Travel, out-of-state	4,419	1,392	755	191	0
Fuel and utilities	20,939,451	50,143,483	47,189,230	45,983,313	47,575,025
Supplies	3,256,541	7,527,485	8,164,504	7,859,535	6,881,091
Professional development	22,455	40,894	30,083	29,472	24,509
Communication services and supplies	250,815	323,089	263,858	263,903	243,038
Services:					
Professional	6,001,524	3,764,156	2,604,614	2,830,741	3,166,255
Housekeeping and janitorial	3,433,192	3,619,744	3,418,750	3,068,207	3,365,547
Maintenance and repair	2,766,996	4,079,328	4,043,205	3,800,882	4,130,584
Equipment:					
Computer	24,262	41,578	87,866	11,404	63,665
Motorized	248,329	139,895	197,680	176,073	192,923
Office	13,624	22,240	34,853	15,325	5,718
Other	620,577	1,081,374	1,017,217	989,339	893,583
Property and improvements	15,901,885	8,203,077	8,736,019	4,301,494	13,766,429
Debt service	9,739,495	7,950,388	9,902,666	10,735,457	8,401,408
Building lease payments	1,164,941	984,501	861,573	789,714	1,063,770
Equipment rental and leases	41,962	51,091	69,532	61,427	46,816
Miscellaneous expenses	55,083	61,570	99,338	114,581	82,250
Rebillable expenses	1,001,715	1,049,113	969,845	871,614	842,769
Program distributions	12,241	7,442	19,074	1,487,594	48,201
Total Expenditures	$ 83,551,864	114,855,417	113,261,555	108,774,285	114,112,233

* Effective fiscal year 2015, responsibility and appropriation authority for operating and maintaining correctional facilities was transferred from the Division of Facilities Management, Design and Construction to the Department of Corrections.

Appendix D

Office of Administration
Division of Facilities Management, Design and Construction
Comparative Statement of Capital Improvement and Leasing Expenditures Processed for Other Agencies*

		Year Ended June 30,	
		2015	2014
Department of Corrections	$	13,937,408	58,095,340
Department of Mental Health		35,883,832	26,733,055
Department of Social Services		25,572,005	25,470,524
Department of Public Safety		23,001,902	13,962,670
Department of Natural Resources		19,266,029	9,124,208
Department of Elementary and Secondary Education		8,994,293	9,281,344
Department of Health and Senior Services		5,294,989	5,201,494
Department of Economic Development		3,470,877	3,414,803
Department of Revenue		2,936,246	3,012,615
Department of Agriculture		2,025,400	3,194,950
Department of Labor and Industrial Relations		2,069,781	1,942,283
Department of Insurance, Financial Institutions and Professional Registration		920,112	952,027
Department of Higher Education		108,163	121,183
Attorney General		4,296,457	1,532,275
Secretary of State		1,529,340	1,658,845
Governor		365,223	343,540
State Treasurer		181,280	195,106
State Auditor		181,362	192,499
Lieutenant Governor		30,500	32,316
Legislature		1,735,846	1,729,145
Judiciary		2,452,457	2,481,062
Total Expenditures	$	154,253,502	168,671,284
Expenditures by Type:			
Capital Improvement (includes new construction/renovation, maintenance/repair	$	57,381,369	26,851,846
Leasing		96,872,133	141,819,438
Total Expenditures	$	154,253,502	168,671,284

* This appendix presents capital improvement and leasing expenditures processed by the Division of Facilities Management, Design and Construction on behalf of other agencies using those agencies' appropriations.

Appendix E

Office of Administration
Division of Facilities Management, Design and Construction
Comparative Statement of Capital Improvement and Leasing Expenditures Processed for Other Agencies by Fund*

		Year Ended June 30,	
		2015	2014
General Revenue Fund	$	85,132,039	109,069,429
Facilities Maintenance Reserve Fund		20,378,032	14,506,240
State Highways and Transportation Department Fund		11,798,750	6,114,915
Department of Social Services Federal and Other Sources Fund		7,213,286	7,173,965
Veterans' Commission Capital Improvement Trust Fund		4,846,007	3,962,051
Department of Health and Senior Services - Federal and Other Fund		2,977,493	2,929,775
Vocational Rehabilitation Fund		2,732,130	2,467,879
Merchandising Practices Revolving Fund		2,704,135	103,770
Job Development and Training Fund		1,614,713	1,727,194
Department of Natural Resources - Federal and Other Fund		1,531,252	2,176,267
Natural Resources Cost Allocation Fund		1,524,180	1,603,598
Public Service Commission Fund		998,877	982,816
Missouri Veterans Commission - Federal Fund		988,783	638,439
Unemployment Compensation Administration Fund		977,822	944,287
Workers' Compensation Fund		709,778	692,952
State Park Earnings Fund		636,052	2,555,188
Gaming Commission Fund		559,813	500,572
Attorney General - Federal and Other Fund		559,584	300,215
State Fair Fee Fund		497,177	522,176
Lottery Enterprise Fund		489,143	459,892
Adjutant General - Federal Fund		412,525	407,289
Department of Mental Health - Federal Fund		387,488	222,373
Elementary and Secondary Education - Federal and Other Fund		383,983	503,673
Agriculture Protection Fund		348,640	327,406
Special Employment Security Fund		345,484	253,873
Insurance Dedicated Fund		331,130	402,670
Department of Agriculture - Federal and Other Fund		329,747	225,659
Department of Labor and Industrial Relations Administrative Fund		239,552	262,140
Working Capital Revolving Fund		157,554	1,587,325
Parks Sales Tax Fund		0	2,193,932
All other funds**		2,448,353	2,853,324
Total Expenditures	$	154,253,502	168,671,284

Expenditures by Type:			
Capital Improvement (includes new construction/renovation, maintenance/repair	$	57,381,369	26,851,846
Leasing		96,872,133	141,819,438
Total Expenditures	$	154,253,502	168,671,284

* This appendix presents capital improvement and leasing expenditures processed by the Division of Facilities Management, Design and Construction on behalf of other agencies using those agencies' appropriations.

** Funds with expenditures less than $250,000 in each year were combined, and consisted of 57 funds in fiscal year 2015 and 71 funds in fiscal year 2014.