SWCAP

Statewide Cost Allocation Plan

Cost Recovery and the Budget Process
January 13, 2022
Christine Otto, Sr. Budget and Policy Analyst

Attachment 1
What is SWCAP

Statewide Cost Allocation Plan is used to recoup costs for services provided by central service agencies.
Why is there a Statewide Cost Allocation Plan

• Division of Financial Management (DFM) prepares the plan in accordance with the federal circulars and Idaho Code.

• DFM in conjunction with respective agencies prepares a cost estimate for state budgeting purposes for services provided by The Attorney General, the State Treasurer, and the State Controller.

  o Section, 67-3531, Idaho Code
Central Service Agencies

- **Attorney General**
  - Billable Hours (Allowable)

- **State Controller**
  - Accounting Services – Transactions
  - Payroll Services – Established Positions

- **State Treasurer**
  - Number of Warrants
Cost Recovery of Allocated Services

Allowable Costs Expended $23,319,600 - Allowable Costs Recovered $22,993,900

Expended FY 2019

- Controller - $9,566,900
  - Accounting - $5,038,700
  - Payroll - $4,528,200
- Treasurer – $938,000
- Attorney General - $12,876,100

Recovered Costs FY 2021

- Controller - $9,321,300
  - Accounting - $4,891,600
  - Payroll - $4,429,700
- Treasurer – $929,400
- Attorney General - $12,743,200

Note: Not all expenses are an allowable cost.
Example: The Criminal Unit within the Attorney Generals Office are costs that cannot be recouped per federal guidelines.
Direct Billing

• Projected costs for the specified service:

  o Risk Management
  o State Building Rent
  o Legislative Audits
  o IT Billing
### Division of Human Resources

<table>
<thead>
<tr>
<th>Budget by Decision Unit</th>
<th>FTP</th>
<th>General</th>
<th>Dedicated</th>
<th>Federal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel Benefit Costs</strong></td>
<td></td>
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<tr>
<td>Employer-paid benefit changes include a one year holiday of unemployment insurance and adjustments to workers' compensation that vary by agency. There is no increase for health insurance which will be budgeted at $11,650 per eligible FTP, which is the same as the current year.</td>
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<tr>
<td>Agency Request</td>
<td>0.00</td>
<td>0</td>
<td>(5,600)</td>
<td>0</td>
<td>(5,600)</td>
</tr>
<tr>
<td>The Governor recommends an increase of $850 for full-time employees and an increase of $780 for part-time employees moving the employer share of health benefit costs to $12,500 and $10,000 by employment status, respectively. These increases are based on the most recent actuarial projection of costs.</td>
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<tr>
<td>Governor's Recommendation</td>
<td>0.00</td>
<td>0</td>
<td>12,400</td>
<td>0</td>
<td>12,400</td>
</tr>
</tbody>
</table>

| **Statewide Cost Allocation** |     |         |           |         |       |
| This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by $400, risk management costs will decrease by $1,400, State Controller fees will increase by $300, and Office of Information Technology Services billings will decrease by $3,000, for a net decrease of $4,500. |     |         |           |         |       |
| Agency Request | 0.00 | 0 | (4,500) | 0 | (4,500) |
| Governor's Recommendation | 0.00 | 0 | (4,500) | 0 | (4,500) |

| **Annualizations** |     |         |           |         |       |
| DHR requests an annualization of $284,800, ongoing, for 4.00 FTP requested as a supplemental in FY 2022 for the Governor's HR Modernization Initiative. |     |         |           |         |       |
| Agency Request | 0.00 | 0 | 284,800 | 0 | 284,800 |
| Governor's Recommendation | 0.00 | 0 | 284,800 | 0 | 284,800 |
Questions?