



# SWCAP

## Statewide Cost Allocation Plan



## What is SWCAP?

67-3531. ANNUAL STATEWIDE INDIRECT COST ALLOCATION PLAN. (1) The division of financial management shall develop an annual statewide indirect cost allocation plan in accordance with 2 CFR 225 et seq. The central service costs of the various central service agencies shall be allocated annually to the recipient state agencies, and such central service costs shall be included in an agency's indirect cost plans for the purpose of determining an indirect cost rate with the cognizant federal agency, and shall be included in an agency's federal grant application.

(2) In conjunction with the respective state service agency, the division of financial management shall prepare an estimate of costs for state budgeting purposes for services provided by the attorney general, the state treasurer and the state controller. The division of financial management shall notify all state agencies of these cost estimates for the next fiscal year on or before November 1. The division of financial management and the legislative services office shall allow state agencies to modify their budget requests in response to such estimates.

(3) The division of financial management shall assess each recipient agency up to one hundred percent (100%) of the amounts allocated in the statewide cost allocation plan. Amounts so assessed shall be separately accounted for and can be expended only after legislative appropriation.



# What is SWCAP?

- **Statewide** – assesses state entities as a whole
- **Recoup** – used to recover costs for services provided by central service agencies:
  - Attorney General’s Office
  - State Controller’s Office, and
  - State Treasurer’s Office



# Why do we need SWCAP?

- Ensures state entities are billed fairly and equitably based on proportional use.
  - The Division of Financial Management (DFM) prepares a cost estimate in accordance with paragraph 3 of Section, 67-3531, Idaho Code

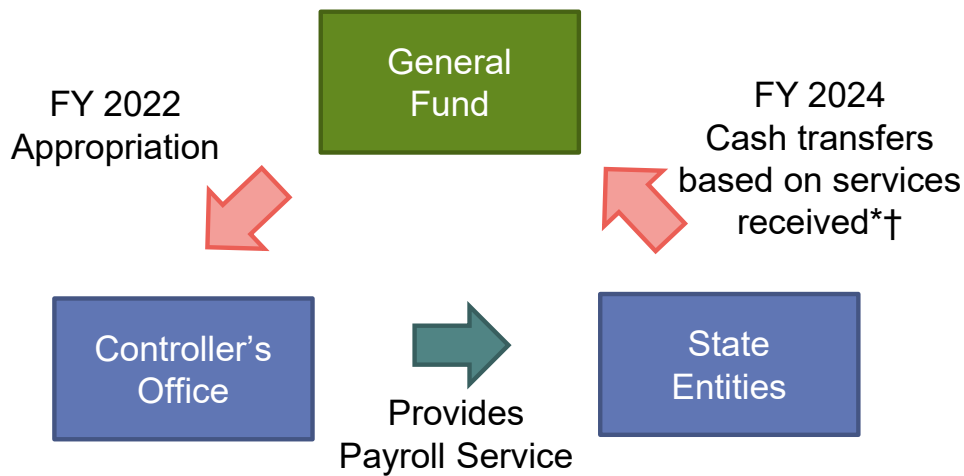


# How do we measure the costs?

- **Attorney General’s Office**
  - Billable Hours (allowable)
- **State Controller’s Office**
  - Accounting Services – Transactions
  - Payroll Services – Average number of active employees per pay period
- **State Treasurer’s Office**
  - Number of Warrants Issued



# How are costs recovered?



\*Transfers first go to the Statewide Indirect Cost Recovery Fund before being transferred to the General Fund.

†Transfers are currently diverted to the Business Information Infrastructure Fund (BIIF) from the Statewide Indirect Cost Recovery Fund until June 30, 2023 [Section 67-1021A, Idaho Code], effective March 7, 2018.



# How are costs recovered?

<u>FY 2022 General Fund Allowable Expenditures*</u>	➔	<u>FY 2024 Funds Recovered**</u>
Controller – \$9,770,500 Accounting – \$5,471,800 Payroll – \$4,298,800	➔	\$9,770,500 – 100% \$5,471,800 \$4,298,800
Treasurer – \$928,300	➔	\$928,300 – 100%
AG – \$15,265,400	➔	\$12,975,000 – 85%†

\*From FY 2024 Federal SWCAP Report.

\*\*Multi-fund recovery.

†The cost of legal services provided to statewide elected officials must be borne by the Office of the Attorney General and are not recovered through the indirect cost recovery program [Section 67-1401(6), Idaho Code]. Additionally, a portion of the FY 2022 expenditures were recovered in advance, creating a credit to those agencies in FY 2024.



## Direct Billing

Also included in FY 2024 SWCAP portion of the budgets are direct billings. These are not included in the cost recovery program but are tracked to ensure each entity has the necessary funds to meet their needs, reducing statewide liability.

- Risk management services
- IT billings



# Legislative Budget Book

## Division of Occupational and Professional Licenses

Analyst: Hibbard

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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### Personnel Benefit Costs

Employer-paid benefits include a 10% increase for health insurance, bringing the total annual budgeted amount to \$13,750 for full-time employees and \$11,000 for part-time employees. Variable benefits include the continuation of rate holidays for unemployment insurance and sick leave; adjustments to workers' compensation that vary by agency; and for PERSI, a 0.76 percentage point rate reduction for regular employees.

Agency Request	0.00	0	311,500	1,800	313,300
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*The Governor recommends the requested increase for the employer share of health benefit costs and recommends a cash transfer of \$25 million from ARPA - State Fiscal Recovery Fund to stabilize the insurance funding for next fiscal year. As part of the appropriation for health insurance benefits, the Governor recommends the creation of a new benefit - a \$500 deposit into a health savings account for individuals or \$1,000 for individuals with dependents. This new benefit is only available to employees choosing the high deductible health plan, while funding comes from the employer share for all eligible employees.*

Governor's Recommendation	0.00	0	311,500	1,800	313,300
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### Replacement Items

### BCRE, Occupational Licenses, Health Professions

The agency requests appropriation for replacement the following items: \$78,500 for 56 standard laptop computers; \$10,000 for five high-end laptop computers; \$8,500 for ten standard desktop computers; \$15,000 for 60 docking stations; \$5,600 for 20 computer monitors; \$3,800 for two network routers; \$11,100 for two video conference systems and soundbars; \$4,400 for two room install kits; \$6,000 for four wireless access points; \$3,600 for four room controllers and accessories; \$5,500 for four LCD TVs; \$4,700 for an ethernet switch for video conferencing; and \$842,000 for 27 vehicles.

Agency Request	0.00	0	998,700	0	998,700
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Governor's Recommendation	0.00	0	998,700	0	998,700
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### 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 \$19,400, risk management costs will decrease by \$34,000, State Controller fees will decrease by \$34,500, State Treasurer fees will decrease by \$500, and Office of Information Technology Services billings will increase by \$227,500, for a net increase of \$139,100.

Agency Request	0.00	0	139,100	0	139,100
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Governor's Recommendation	0.00	0	139,100	0	139,100
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