



BUDGET JUSTIFICATION
Arizona Developmental Disabilities Planning Council
Special Education Finance Primer

Salaries and Benefits

Employee salaries are based upon WestEd’s fiscal year salary schedule as approved by the agency’s Board of Directors. Salaries include the actual days worked for each employee and earned leave, e.g., holidays, vacations, sick leave, etc. Salary rates are current actual rates, increased where appropriate within the proposal dates to provide for probable cost-of-living adjustments, plus 19.5% for earned leave. WestEd’s minimum working days for one full-time employee (FTE) are 222 per year.

The benefits rate is 43.5% of regular employees’ salaries, and 14.7% of temporary employees’ salaries. Benefits include worker’s compensation, unemployment tax, and FICA for both employee classifications. Regular employees also receive retirement, medical/dental, life insurance, disability insurance, and other staff benefits.

The proposed project budget includes the following staff:

	ADDPC Funds (days)	Non-Federal In-Kind Match (days)
Janelle Kubinec, Project Director	2.0	1.0
Paul Koehler, Project Advisor		1.0
Ann Hern, School Finance Specialist	5.0	1.0
Michael Medina, Graphic Designer	3.0	
Christian Holden, Graphic Designer	1.0	
Fredrika Baer, Production Assistant	2.0	
Erica Skreslet, Production Assistant	4.8	
TOTAL	17.8	3.0

Supplies/Operating Expenses*

The Supplies/Operating Expenses category includes general office items, postage and telephone, and information system support related to the project

Facility*

Facility represents the rent and/or occupancy of project office space at a specific WestEd location.

Administrative/Indirect*

Includes program support includes administrative services and program services. Administrative services represent expenses such as human resources, purchasing, insurance, legal, membership dues, and general administrative. Program services consist of activities involving staff planning, quality review, staff development, work planning, and staff evaluation; they also include library assistance to WestEd staff.

The Agency's indirect cost rate (overhead rate) is negotiated with its cognizant agency, the United States Department of Education. WestEd's 2013 provisional and applied indirect rate is 12.9%. WestEd's indirect cost pool includes Board/Board support, the Executive Director's Office, Resource Development, Communications, Contracts, and Accounting/Finance Services.

The inclusion of fees on contracts awarded to organizations like WestEd has been a common practice by federal agencies for many years. The government recognizes that the cost principles under which contractors can claim reimbursement of costs incurred on a project do not allow recovery of all necessary and pertinent costs of doing business. In order for the contractor to remain viable, a fee must be received. This conclusion has been accepted by the General Accounting Office and is supported by numerous studies conducted on the subject.

* General expenses in these categories are pooled (by office location for facility) and allocated to projects on the basis of labor hours charged. WestEd uses a target allocation rate based on the previous year's actual rate for charging projects as well as for budgeting purposes. This rate may be adjusted during the year to reflect actual performance. The rate is calculated using the accounting application, Costpoint, which sorts by project the hours each employee reports on timesheets (matches the hours with the location code in the employee's master file for facility), calculates the charges, and allocates the costs based on the project account codes reported on the timesheets.