



# **State of Missouri Communications Cost Allocation Plan Fiscal Year 2016**

**Last revised: June 2015**



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### Purpose

This document outlines the methodology utilized by the Information Technology Services Division (ITSD) in developing rates for communications services provided to state agencies, colleges and universities. The authorization to develop rate structures and establish a charging system is provided under Chapter 37, RSMo.

The estimated expenditures and rates set forth herein provide the means for ensuring full cost-recovery based on agency's use of services. As with any plan, actual events require close monitoring and revisions to the rates may be required.

### Pricing Concepts

The major objective for the Information Technology Services Division is to provide state agencies and organizations with cost effective and efficient shared communications resources. Achievement of this objective results in improved productivity in state government and more effective delivery of governmental services to the citizens of Missouri.

The charging systems or objectives associated with this Cost Allocation Plan (CAP) methodology are summarized as follows:

1. Establish usage sensitive pricing of services
2. Provide rate stabilization
3. Develop a cost for the total communications service package which is less than what can be obtained elsewhere
4. Provide agencies maximum flexibility in controlling use
5. Minimize the impact of future rate changes and/or cost increases
6. Maximize economies of scale opportunities available through resource sharing

### Expenditure Planning

One of the key components of this Cost Allocation Plan is developing an overall schedule and general allocation of anticipated expenditures. The expenditure plan contained in this report reflects the best estimate of the costs required to provide communications services to state agencies throughout the fiscal year.

### Development Methodology

A cost-based methodology was employed in establishing the billing rates detailed in this plan. The benefits of this cost based methodology are two fold. First, as a full cost approach. Both direct and indirect costs are included, and the under-or over-recovery of communications total budget costs is minimized. Second, it provides an equitable method for cost recovery; i.e., the rate is based on the amount of resources utilized.

The methodology for development of this Cost Allocation Plan can generally be summarized in the following nine steps:

#### 1. Determine Services Provided

The types of services provided by the Network and Telecommunications sections are based on the requirements of state agencies and services are comparable to those provided by regulated telephone utilities, facility-based carriers, other common carriers and resellers of inter-city telecommunications services. These services are provided by the Office of Administration when the state can obtain enhanced shared features and realize economies of scale.

#### 2. Establish Units of Service

The unit of service utilized to measure the volume of service provided for each service type was established based on three major criteria: relationship to the function performed, measurability and level of control which can be exercised by the customer agencies.

#### 3. Compile Estimates of Utilization

Prior Fiscal Year utilization of each service category was compiled and analyzed. The category actuals were then used as a basis for CAP utilization projections or estimates.

#### 4. Identify Types of Costs

Two basic types of costs were identified: direct and indirect. Direct costs are those costs that can be identified with providing a type of service. Indirect costs are those costs that cannot be directly identified with providing a specific type of service but relate to UC and Network costs as a whole.

#### 5. Determine Direct Costs

Budgeted expense, equipment and personal service costs that could be directly identified with providing a specific type of service, were accumulated to determine total allocated direct cost by type of service. In some cases, an expense or equipment cost applies to more than one service category. The cost is then split by percentage among the appropriate type of service.

#### 6. Determine Indirect Costs

Budgeted expense, equipment and personal service costs that relate to UC and Network services, but cannot be directly identified with providing a specific type of service, were accumulated to determine the total indirect cost by type of service and considered overhead expense. These costs were divided across all service categories.

#### 7. Summarized Total Cost by Service

Total cost by service was determined by adding the direct and indirect allocated costs.

#### 8. Calculate Cost Per Unit of Service

The cost per unit of service was calculated by dividing the total annual cost by the total estimated annual utilization. The cost per unit may be adjusted mid-plan year to accommodate significant fluctuations in utilization.

#### 9. Depreciation

Asset depreciation is considered in accordance with the requirements of OMB Circular A-87.



## Service Category Definitions

### Centrex Access

The basic unit of service provided by ITSD Communications to customers is access (dial tone). CenturyLink provides this service under the service mark of Centrex in Jefferson City, Rolla, Warrensburg and Maryville. This basic unit of service allows customers the ability to receive calls from any customer of the world-wide telecommunications system. Also associated with this basic service unit is the unlimited ability of Jefferson City, Rolla, Warrensburg, Maryville and other CenturyLink Centrex customers to call other customers within their system with four or five digit dialing. Major cost components identified with this service element are the line charges and features which allow transmission and receipt of calls from the nationwide toll centers and the Federal End User charge.

### Dedicated Long Distance

Within the Dedicated Long Distance rate are costs for dedicated circuits and the central offices components which are used with the state's UC, PLEXAR and Centrex services as well as some private locations with high call volumes. The cost per minute is for the usage that either completes or originates using these dedicated facilities.

### Switched Long Distance

Switched Long Distance is the cost-per-minute usage for calls originating from a state business line. This category would be for any usage originating from a state telephone line other than one defined as UC, PLEXAR or Centrex.

### PLEXAR Access

Access (dial tone) provided to customers in cities served by AT&T Telephone Company has the trademark of PLEXAR. This basic unit of service allows customers to receive calls from any caller on the worldwide telecommunications system. It also permits customers to have the unlimited ability to place calls on the local and state networks and allows five digit dialing within their system from most sites. The major cost elements associated with this service are the feature and station line charges and the Federal End User charge.

### Data Circuits

Data circuit service is made up of the costs that are used for the transportation of data applications. In general, this service provides the agencies with the order processing, billing functions and contract administration required with data circuits. The cost elements with this service are the circuit costs and an administrative fee.

### Voice Mail

This category of service provided to customers is access from the central office to the systems located throughout the state. The cost elements of this service include a monthly lease charge for the boxes in Warrensburg and Rolla as well as maintenance on owned systems.

### Pass-Through Telephone Service

Pass-Through service is the process by which the charges billed by the telephone vendors are in turn billed to the appropriate agencies. Charges incurred for services such as local service, toll and calling cards are billed to the agencies with an administrative fee added.

### Toll-Free

This category is for Toll-Free service such as 800, 888, 877, 866 and 855 numbers where agencies pay the per-call costs instead of the caller. The cost elements for this service include circuit, per minute service costs and an administrative fee.



## Internet Services

Internet Services supplied to state agencies include bandwidth, redundancy, security measures, monitoring and troubleshooting. These services provide state employees access to information available on the Internet, as well as allowing state agencies to provide information and e-business services to our customers. Agencies can also additionally utilize these services for VPN (virtual private network) connectivity to remote users or offices, as well as other services such as videoconferencing to locations outside the boundaries of state government.

## Network and Network Enhancements

Network services represent the core network and security functions provided to all state agencies. ITSD serves as the enabler for connectivity from any agency to enterprise applications (e.g., SAM II). Additionally, ITSD provides inter-agency electronic communications, and agency connectivity to the Internet. These services also provide various levels of security and redundancy for the customer structures. Furthermore, technical and consulting services are provided to agencies through this category.

Network core are items supporting the backbone infrastructure that handles transport and routing. It does not include layer 3 boundaries for agencies and services. Network core centralized in the State Data Center and can reach as far as our Points of Presence (POP) in 900 Walnut, St. Louis; 1904 LeCompte, Springfield; and 1102 Grand, Kansas City.

Network Enhancements allow substantial investments to be made in consolidation to bring many locations up to standard Power over Ethernet switching and voice gateway level routing equipment. These devices paved the way for Unified Communications, wireless access points, camera surveillance, and various networked sensors. Many devices now draw power from the network stack and require more advanced routers for data, video, and voice.

## Wireless Service

Wireless Service includes the purchase of wireless devices and the associated monthly service including calls, plans and features.

## Unified Communications (UC)

The UC category supports the state's Voice Over Internet Protocol (VoIP) network to include, but is not limited to, Cisco Phones, Personal Communicator, Telepresence, Mobility and Meeting Place. These services allow for improved collaboration and communication in the most efficient and effective methods available within the state.

## Unified Communications (UC) Pass-Through

Pass-Through Unified Communications is the process by which the charges for leased UC phones, phones deployed prior to April 1, 2015, are billed to the appropriate agencies.

Call Center licenses and costs are billed to the appropriate agencies. An administrative fee is added to costs.

## Contact Information

COMMUNICATIONS CAP



- o **Chief Information Officer**  
Tim Robyn
- o **Deputy for Operations**  
Steve Siegler
- o **Director of Financial and Administrative Services**  
Crystal Wessing
- o **Director of Networks and Unified Communications**  
Jason Volkart



## Detailed Budget

			Budget Amount	Budget Amount
			FY15	FY16
<b>Personal Service</b>				
1	100%	Account Clerk II	\$25,494	\$26,388
2	80%	Accountant I	\$26,747	\$23,741
3	100%	Accountant I	\$29,172	\$34,596
4	100%	Accountant I	\$31,090	\$34,596
5	25%	Accounting Specialist II	\$12,082	\$11,919
6	5%	Accounting Specialist III	\$8,326	\$2,634
7	40%	Admin Office Support Assistant	\$7,622	\$12,480
8	10%	Information Technology Sr Spec	\$68,412	\$7,679
9	100%	Computer Info Tech Spec III	\$13,981	\$67,488
10	20%	Computer Info Tech Spec III	\$66,964	\$14,107
11	100%	Computer Info Tech Supv II	\$84,648	\$66,060
12	100%	Data Processing Manager	\$0	\$83,500
13	21%	Designated Principal Asst Dept	\$23,524	\$23,205
14	21%	Designated Principal Asst Div	\$19,512	\$19,248
15	25%	Executive I	\$9,083	\$8,649
16	21%	Executive I	\$8,838	\$8,719
17	25%	Executive I	\$8,767	\$8,649
18	25%	Executive I	\$40,557	\$8,649
19	50%	Fiscal & Administrative Mgr B1	\$31,444	\$28,577
20	50%	Fiscal & Administrative Mgr B1	\$14,826	\$33,688
21	10%	Fiscal & Administrative Mgr B1	\$17,203	\$5,850
22	25%	Fiscal & Administrative Mgr B2	\$16,555	\$16,844
23	25%	Fiscal & Administrative Mgr B2	\$18,121	\$17,875
24	25%	Fiscal & Administrative Mgr B2	\$16,556	\$16,331
25	25%	Fiscal & Administrative Mgr B2	\$34,404	\$16,332
26	25%	Fiscal & Administrative Mgr B2	\$18,881	\$16,969
27	25%	Fiscal & Administrative Mgr B3	\$31,625	\$18,625
28	100%	Information Technologist I	\$31,090	\$35,844
29	100%	Information Technologist I	\$0	\$35,844
30	100%	Information Technologist I	\$0	\$36,192
31	9%	Information Technologist I	\$43,644	\$0
32	100%	Information Technologist III	\$45,323	\$46,920
33	100%	Information Technologist III	\$0	\$50,040
34	100%	INFORMATION TECHNOLOGIST III	\$0	\$43,000
35	9%	Information Technologist IV	\$54,483	\$0
36	100%	Information Technologist IV	\$0	\$52,680
37	100%	Information Technologist IV	\$14,180	\$40,000
38	25%	Information Technology Spec I	\$55,614	\$13,989
39	10%	Information Technology Spec I	\$4,833	\$5,486
40	25%	Information Technology Spec I	\$30,167	\$0
41	50%	Information Technology Spec I	\$55,614	\$33,744
42	100%	Information Technology Spec I	\$6,510	\$54,864
43	10%	Information Technology Spec II	\$5,729	\$5,952

COMMUNICATIONS CAP



		Budget Amount FY15	Budget Amount FY16
44	9% Information Technology Spec II	\$15,387.71	\$0
45	9% Information Technology Spec II	\$13,682.38	\$0
46	25% Information Technology Spec II	\$5,607.28	\$15,180
47	20% Information Technology Spec II	\$5,607.28	\$10,798
48	100% Information Technology Spec II	\$71,355.84	\$60,720
49	100% Information Technology Sr Spec	\$66,964.27	\$70,392
50	100% Information Technology Supv	\$12,556.31	\$66,060
51	25% Procurement Ofcr II	\$0	\$12,387
52	25% Procurement Ofcr I	\$0	\$11,403
53	25% Procurement Ofcr II	\$0	\$12,387
54	100% Senior Office Support	\$0	\$30,612
55	94% Senior Office Support	\$0	\$26,429
56	100% Senior Office Support	\$12,556.31	\$29,124
57	9% Special Asst Professional	\$6,464.57	\$0
	Subtotal Personal Service	\$1,400,949	\$1,433,444
	Fringe Benefits	\$628,045	\$642,613
	Total Personnel Service:	\$2,028,994	\$2,076,057

***Allocation percentages and job titles may vary from FY15 to FY16. Therefore, the Personal Service and Fringe costs for FY15 are aggregate amounts.***



## Detailed Budget, continued

## Communications Expense and Equipment

	Budget Amount FY15	Budget Amount FY16
J901 Hardware and Software Maintenance	\$530,695	\$530,695
J911 Wiring and General Services	\$15,000	\$15,000
JI71 Equipment and Maintenance	\$277,713	\$317,713
JI72 State Network Charges	\$181,952	\$181,952
JI73 MoreNet Charges	\$121,355	\$121,355
JR01 Centrex Lines - CenturyLink	\$1,060,000	\$957,436
JR02 Centrex Tax & Misc - CenturyLink	\$106,000	\$87,686
JR03 Centrex Fed End User - CenturyLink	\$167,000	\$138,342
JR04 T1 Terminations/Plexar Tie Lines	\$73,500	\$73,527
JR05 Dedicated Long Distance Usage	\$930,000	\$828,267
JR06 Plexar Lines - AT&T	\$1,050,801	\$1,309,023
JR07 Plexar VFG Trunks - AT&T	\$894,018	\$1,184,148
JR08 Plex Fed End User 9ZR - AT&T	\$847,678	\$701,366
JR09 Plex Fed End Eucl Credit - AT&T	-\$771,594	-\$609,186
JR10 Plexar Miscellaneous - AT&T	\$245,000	\$196,947
JR12 Voice Mail Circuits	\$210,000	\$279,963
JR13 Centrex Pass-Through - CenturyLink	\$450,000	\$344,885
JR14 Toll-Free Service Pass-Through	\$16,000	\$55,906
JR16 Plexar Pass-Through - AT&T	\$150,000	\$189,687
JR17 Business Line/DSL/Internet Access	\$2,000,000	\$2,263,360
JR18 Toll Usage on Business & Plexar Invoices	\$18,300	\$1,546
JR19 Directory Assistance	\$5,250	\$3,049
JR21 Toll-Free Termination Charges - AT&T	\$56,640	\$56,700
JR22 Jeff City Music On Hold Circuit	\$378	\$378
JR24 Metropolitan Area Network Services	\$850,000	\$959,472
JR25 SMDR - AT&T	\$823	\$835
JR26 ARS Package - AT&T	\$1,801	\$1,801
JR27 Satellite Services	\$380,000	\$381,179
JR28 Contract Long Distance Service	\$800,000	\$747,386
JR29 Calling Card Usage	\$33,000	\$63,881
JR30 Frame Relay & Tariff Circuits	\$925,000	\$675,633
JR31 Internet Access Service	\$192,000	\$0
JR34 LD Terminations (Plexar) - AT&T	\$85,500	\$84,552
JR37 ISDN-PRI	\$888,000	\$1,026,035
JR38 Tolls on Centrex Invoices	\$2,500	\$1,966
JR39 Voice Grade Circuits	\$81,000	\$26,966
JR41 Wireless Services	\$4,500,000	\$4,750,000
JR45 Toll Free Usage	\$2,880,000	\$3,536,615
JR46 MPLS	\$6,500,000	\$6,000,000
JR47 International Usage	\$41,000	\$86,772
JR48 Wireless Accessories	\$2,000	\$0
JR49 Adobe Connect	\$42,000	\$42,000
JR50 Subscription Voice Mail	\$3,000	\$281
JR51 Conference Call Services	\$120,000	\$101,434
JR52 Network Directory Listing	\$0	\$3,696
JR53 Ethernet	\$500,000	\$421,438

COMMUNICATIONS CAP



Detailed Budget (Continued)

Communications Expense and Equipment (continued)

	Budget Amount FY15	Budget Amount FY16
JT40 Voice Mail Maintenance	\$21,600	\$21,600
JU04 Core UC Structure	\$70,000	\$166,000
JU05 Maintenance on Core Structure	\$9,460	\$139,748
JU08 PSTN Trunks	\$898,680	\$905,916
JU10 Client License	\$9,716	\$11,273
JU11 End-User Devices	\$28,650	\$28,650
JU13 UC Loan Amt Core	\$1,310,016	\$1,578,937
JU15 UC LD Circuits	\$66,470	\$0
JU23 Call Center	\$189,143	\$189,143
JU24 UC Loan Amount Pass-through	\$1,098,148	\$552,958
JU25 Network Enhancements	\$898,866	\$1,098,148
Total Expense & Equipment	\$32,064,058	\$32,834,058



## Detailed Budget (Continued)

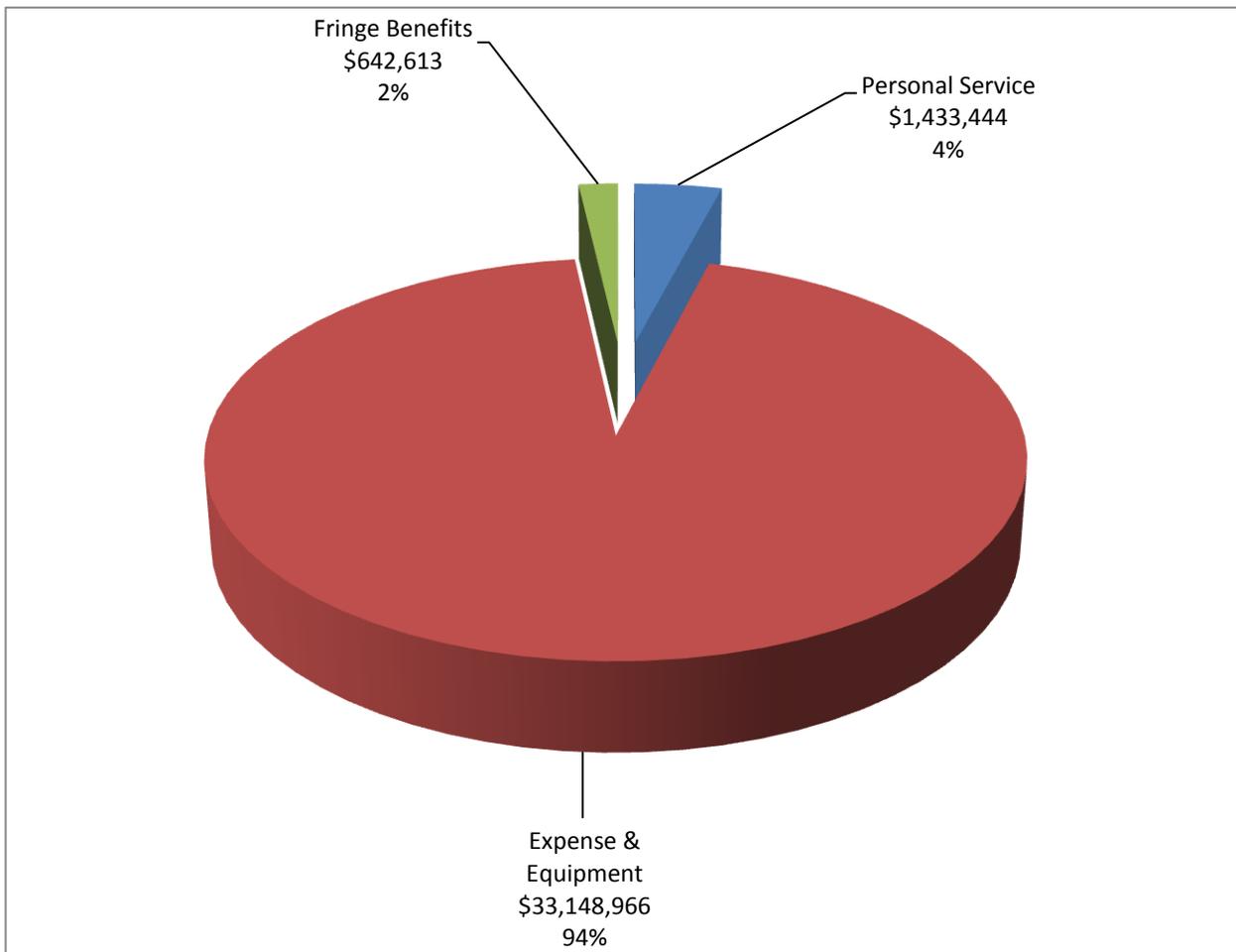
General Support (Indirect) Expense and Equipment	Budget Amount	Budget Amount
	FY15	FY16
JT02 In State Mileage	\$1,550	\$1,550
JT03 In State Lodging	\$2,100	\$2,100
JT04 In State Meals	\$550	\$550
JT05 In State Other	\$250	\$250
JT07 Commerical Trans.	\$1,000	\$1,000
JT08 Out State Lodging	\$3,000	\$3,000
JT09 Out State Meals	\$1,000	\$1,000
JT10 Out State Other	\$775	\$775
JT12 Postage	\$2,000	\$2,000
JT13 Subscriptions	\$1,400	\$1,400
JT14 Other Admin Supplies	\$33	\$33
JT16 Motor Fuel	\$20	\$20
JT17 Memberships	\$3,500	\$4,500
JT18 Training	\$19,000	\$19,000
JT20 Telcom Supplies	\$300	\$300
JT21 Telcom Charges	\$26,000	\$26,000
JT22 Internet	\$11,000	\$11,000
JT23 Cellular charges	\$10,000	\$10,000
JT24 Pagers	\$295	\$295
JT28 SDC charges	\$61,800	\$36,000
JT31 Software Maintenance- Compco and TMetrics	\$40,500	\$20,250
JT34 Desktop Computer Equip.	\$7,200	\$7,200
JT35 Software	\$450	\$162,684
JT37 Office Furniture	\$4,000	\$4,000
Subtotal General Support (Indirect)	\$197,723	\$314,907
Total E&E Budget	\$32,261,781	\$33,148,966
Total Budget	\$34,290,775	\$35,225,022



Budget By Category for Revolving Fund

	Budget Amount FY15	Budget Amount FY16
Personal Service	\$1,400,949	\$1,433,444
Expense & Equipment	\$32,261,781	\$33,148,966
Fringe Benefits	\$628,045	\$642,613
<b>Total</b>	<b>\$34,290,775</b>	<b>\$35,225,022</b>

Communications Expenses By Category



**Centrex Access**

Annual Estimated Utilization:

Number of Lines:

68,256

Estimated Cost:

Direct Allocation - Expense and Equipment

Direct Allocation - Expense and Equipment

Item	Description	Budget Amount FY15	Budget Amount FY16
JR01	Centrex Lines - CenturyLink	\$1,060,000	\$957,436
JR02	Centrex Tax & Misc - CenturyLink	\$106,000	\$87,686
JR03	Centrex Fed End User - CenturyLink	\$167,000	\$138,342
JR22	Jeff City Music On Hold Circuit	\$378	\$378
Subtotal Expense and Equipment		\$1,333,378	\$1,183,843
Direct Personnel		\$57,644	\$56,413
Total Direct Allocation		\$1,391,022	\$1,240,256
Indirect Costs Allocated		\$29,967	\$31,393
Total Allocated Costs		\$1,420,989	\$1,271,649
Total Collectable Costs		\$1,420,989	\$1,271,649

Collectable Costs / Utilization = Monthly Access Line Cost

\$1,271,648.98

=

\$18.63

68,256

Additional Centrex Charges:

FEDERAL UNIVERSAL FUND*	\$0.50
MISSOURI UNIVERSAL FUND*	\$0.03
TOTAL	\$19.16

\*Additional charges may increase or decrease throughout the Fiscal Year depending on FCC or PSC rulings.



## Dedicated Long Distance

Annual Estimated Utilization (in minutes):  
17,734,276

Estimated Cost:  
Direct Allocation - Expense and Equipment

Item	Description	Budget Amount FY15	Budget Amount FY16
JR04	T1 Terminations/Plexar Tie Lines	\$73,500	\$73,527
JR05	Dedicated Long Distance Usage	\$930,000	\$828,267
JR07	Plexar VFG Trunks - AT&T	\$447,009	\$592,074
JR25	SMDR - AT&T	\$823	\$835
JR26	ARS Package - AT&T	\$1,801	\$1,801
JR34	LD Terminations (Plexar) - AT&T	\$85,500	\$84,552
JR52	Network Directory Listing	\$0	\$3,696
JU15	UC LD Circuits	\$66,470	\$0
	Subtotal Expense and Equipment	\$1,605,103	\$1,584,753
	Direct Personnel	\$60,366	\$53,720
	Total Direct Allocation	\$1,665,469	\$1,638,473
	Indirect Costs Allocated	\$35,880	\$41,473
	Total Allocated Costs	\$1,701,349	\$1,679,945
	Total Collectable Costs	\$1,701,349	\$1,679,945

Collectable Costs / Utilization = State Long Distance Cost Per Minute

$$\frac{\$1,679,945}{17,734,276} = \$0.0947$$



**Switched Long Distance**

Annual Estimated Utilization (in minutes):  
11,185,509

Estimated Cost:  
Direct Allocation - Expense and Equipment

Item	Description	Budget Amount FY15	Budget Amount FY16
JR28	Contract Long Distance Service	\$800,000	\$747,386
	Subtotal Expense and Equipment	\$800,000	\$747,386
	Direct Personnel	\$80,757	\$68,495
	Total Direct Allocation	\$880,757	\$815,881
	Indirect Costs Allocated	\$18,975	\$20,651
	Total Allocated Costs	\$899,732	\$836,533
	Total Collectable Costs	\$899,732	\$836,533

Rate Calculation:  
Collectable Costs / Utilization = State Long Distance Cost Per Minute

$$\frac{\$836,533}{11,185,509} = \$0.0748$$



## Plexar Access

Annual Estimated Utilization

Number of Lines:

100,212

Estimated Cost:

Direct Allocation - Expense and Equipment

Item	Description	Budget Amount FY15	Budget Amount FY16
JR06	Plexar Lines - AT&T	\$1,050,801	\$1,309,023
JR07	Plexar VFG Trunks - AT&T	\$447,009	\$592,074
JR08	Plex Fed End User 9ZR - AT&T	\$847,678	\$701,366
JR09	Plex Fed End Eucl Credit - AT&T	-\$771,594	-\$609,186
JR10	Plexar Miscellaneous - AT&T	\$245,000	\$196,947
	Subtotal Expense and Equipment	\$1,818,894	\$2,190,225
	Direct Personnel	\$71,504	\$62,357
	Total Direct Allocation	\$1,890,398	\$2,252,582
	Indirect Costs Allocated	\$40,726	\$57,017
	Total Allocated Costs	\$1,931,124	\$2,309,599
	Total Collectable Costs	\$1,931,124	\$2,309,599
	Collectable Costs /Number of Lines = Monthly Access Line Cost		
		\$2,309,599	=
		100,212	\$23.05
	Additional Plexar Charges:*		
	FEDERAL UNIVERSAL FUND*		\$0.11
	MISSOURI UNIVERSAL FUND*		\$0.04
	TOTAL		\$23.20

## Plexar Pricing Policy:

- Lines added after the beginning of the fiscal year will be at cost plus an admin fee if cost is greater than CAP until the next annual CAP is developed.
- Customers pay all install charges.
- The Plex Fed End User Eucl Credit (JR09) is the cost of a Plex Fed End User (JR08) times the number of installed stations.

\*Additional charges may increase or decrease throughout the Fiscal Year depending on FCC or PSC rulings.



Data Circuits

Annual Estimated Utilization

Actual Circuit Costs

Estimated Cost:

Direct Allocation - Expense and Equipment

Item	Description	Budget Amount FY15	Budget Amount FY16
JR24	Metropolitan Area Network Services	\$850,000	\$959,472
JR27	Satellite Services	\$380,000	\$381,179
JR30	Frame Relay & Tariff Circuits	\$925,000	\$675,633
JR37	ISDN-PRI	\$888,000	\$1,026,035
JR39	Voice Grade Circuits	\$81,000	\$26,966
JR46	MPLS	\$6,500,000	\$6,000,000
JR53	Ethernet	\$500,000	\$421,438
	Subtotal Expense and Equipment:	\$10,124,000	\$9,490,721
	Direct Personnel	\$139,492	\$135,139
	Total Direct Allocation	\$10,263,492	\$9,625,861
	Indirect Costs Allocated	\$221,111	\$243,649
	Total Allocated Costs	\$10,484,602	\$9,869,509
	Total Collectable Costs	\$10,484,602	\$9,869,509

Rate Calculation:

$$\begin{array}{r}
 \text{(Total Collectable Costs - Direct Costs)/Direct Costs = Administrative Percentage} \\
 \frac{\$9,869,509 - \$9,490,721}{\$9,490,721} = 3.99\%
 \end{array}$$





Annual Estimated Utilization  
Actual Costs

Estimated Cost:  
Direct Allocation - Expense and Equipment

Item	Description	Budget Amount FY15	Budget Amount FY16
JR13	Centrex Pass-Through - CenturyLink	\$450,000	\$344,885
JR14	Toll-Free Service Pass-Through	\$16,000	\$55,906
JR16	Plexar Pass-Through - AT&T	\$150,000	\$189,687
JR17	Business Line/DSL/Internet Access	\$2,000,000	\$2,263,360
JR18	Toll Usage on Business & Plexar Invoices	\$18,300	\$1,546
JR19	Directory Assistance	\$5,250	\$3,049
JR29	Calling Card Usage	\$33,000	\$63,881
JR31	Internet Access Service	\$192,000	\$0
JR38	Tolls on Centrex Invoices	\$2,500	\$1,966
JR47	International Usage	\$41,000	\$86,772
JR48	Wireless Accessories	\$2,000	\$0
JR49	Adobe Connect	\$42,000	\$42,000
JR50	Subscription Voice Mail	\$3,000	\$281
JR51	Conference Call Services	\$120,000	\$101,434
	Subtotal Expense and Equipment	\$3,075,050	\$3,154,766
	Direct Personnel	\$53,453	\$49,795
	Total Direct Allocation	\$3,128,503	\$3,204,561
	Indirect Costs Allocated	\$67,399	\$81,113
	Total Allocated Costs	\$3,195,902	\$3,285,674
	Total Collectable Costs	\$3,195,902	\$3,285,674

Rate Calculation:

$$\frac{(\text{Total Collectable Costs} - \text{Direct Costs})}{\text{Direct Costs}} = \text{Administrative Percentage}$$

\$3,285,674	-\$3,154,766	=	4.15%
	\$3,154,766		





Internet

Annual Estimated Utilization  
 Number of accounts:  
 585,869

Estimated Cost:

Direct Allocation - Expense and Equipment  
 Item Description

Budget Amount  
FY15

Budget Amount  
FY16

J171	Equipment and Maintenance	\$277,713	\$317,713
J172	State Network Charges	\$181,952	\$181,952
J173	MoreNet Charges	\$121,355	\$121,355
	Total Direct Expenses	\$581,020	\$621,020
	Direct Personnel	\$272,495	\$270,373
	Total Direct Allocation	\$853,515	\$891,393
	Total Indirect Expenses	\$18,388	\$22,563
	Total Allocated Costs	\$871,903	\$913,956
	Total Collectable Costs	\$871,903	\$913,956

Rate Calculation:

Allocated Costs /Number of Accounts = Per-Account Cost

$$\frac{\$913,956}{585,869} = \$1.56$$



**Network Core**

Annual Estimated Utilization  
 Number of accounts:  
 2,597,310

Estimated Cost:  
 Direct Allocation - Expense and Equipment

Item	Description	Budget Amount FY15	Budget Amount FY16
J901	Hardware and Software Maintenance	\$477,695	\$530,695
J911	Wiring and General Services	\$15,000	\$15,000
Subtotal Expense and Equipment:		\$492,695	\$545,695
Direct Personnel		\$3,371	\$3,326
Total Direct Allocation		\$496,066	\$549,021
Indirect Costs Allocated		\$11,759	\$13,897
Total Allocated Costs		\$507,826	\$562,917
Total Collectable Costs		\$507,826	\$562,917

Allocated Costs /Number of Accounts = Per-Account Cost = \$0.2167

Refer to rate schedule for billing information by agency.



**Network Enhancement**

Annual Estimated Utilization  
 Number of accounts:  
 211,056

Estimated Cost:  
 Direct Allocation - Expense and Equipment

Item	Description	Budget Amount FY15	Budget Amount FY16
JU25	Network Enhancements	\$1,098,148	\$1,098,148
Subtotal Expense and Equipment:		\$1,098,148	\$1,098,148
	Direct Personnel	\$6,845	\$6,752
	Total Direct Allocation	\$1,104,993	\$1,104,900
	Indirect Costs Allocated	\$23,875	\$27,967
	Total Allocated Costs	\$1,128,868	\$1,132,867
	Total Collectable Costs	\$1,128,868	\$1,132,867

Allocated Costs /Number of Accounts = Per-Account Cost = \$5.37

Refer to rate schedule for billing information by agency.

**NOTE: Network Enhancements only apply to consolidated agencies**



Wireless

Annual Estimated Utilization  
Actual Costs

Estimated Cost:  
Direct Allocation - Expense and Equipment

Item	Description	Budget Amount FY15	Budget Amount FY16
JR41	Wireless Services	\$4,500,000	\$4,750,000
	Subtotal Expense and Equipment:	\$4,500,000	\$4,750,000
	Direct Personnel	\$80,679	\$75,488
	Total Direct Allocation	\$4,580,679	\$4,825,488
	Indirect Costs Allocated	\$98,684	\$122,142
	Total Allocated Costs	\$4,679,363	\$4,947,630
	Total Collectable Costs	\$4,679,363	\$4,947,630

Rate Calculation:

$$\begin{array}{r}
 \text{(Total Collectable Costs - Direct Costs)/Direct Costs = Administrative Percentage} \\
 \frac{\$4,947,630 - \$4,750,000}{\$4,750,000} = 4.16\%
 \end{array}$$



**Unified Communications**

Annual Estimated Utilization  
211,056

Estimated Cost:  
Direct Allocation - Expense and Equipment

Item	Description	Budget Amount FY15	Budget Amount FY16
JU04	Core UC Structure	\$70,000	\$166,000
JU05	Maintenance on Core Structure	\$9,460	\$139,748
JU08	PSTN Trunks	\$898,680	\$905,916
JU13	UC Loan Amt Core	\$898,866	\$1,578,937
Subtotal Expense and Equipment:		\$1,877,006	\$2,790,601
Direct Personnel		\$581,570	\$645,713
Total Direct Allocation		\$2,458,576	\$3,436,315
Indirect Costs Allocated		\$52,966	\$86,980
Total Allocated Costs		\$2,511,542	\$3,523,294
Total Collectable Costs		\$2,511,542	\$3,523,294

Rate Calculation:

Total Collectable Costs / Utilization = Per unit Rate

\$3,523,294	\$16.69
211,056	



**Unified Communications Pass-Through**

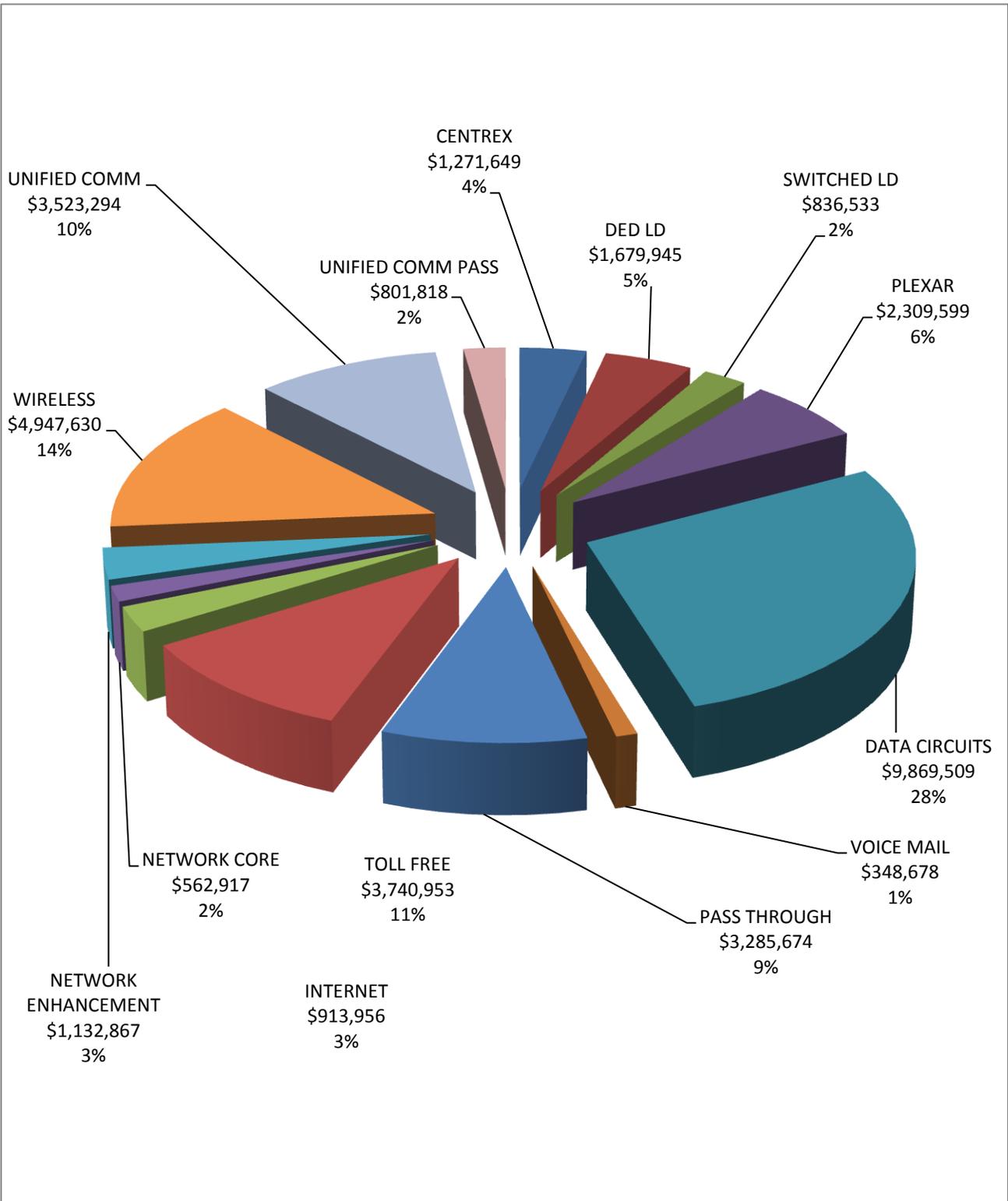
Annual Estimated Utilization  
Actual Costs

Estimated Cost:  
Direct Allocation - Expense and Equipment

Item	Description	Budget Amount <u>FY15</u>	Budget Amount <u>FY16</u>
JU10	Client License	\$9,716	\$11,273
JU11	End-User Devices	\$28,650	\$28,650
JU24	UC Loan Amount Pass-through	\$1,310,016	\$552,958
JU23	Call Center	\$189,143	\$189,143
	Subtotal Expense and Equipment:	\$1,537,525	\$782,023
	Direct Personnel	\$0	\$0
	Total Direct Allocation	\$1,537,525	\$782,023
	Indirect Costs Allocated	\$33,124	\$19,794
	Total Allocated Costs	\$1,570,648	\$801,818
	Total Collectable Costs	\$1,570,648	\$801,818

Rate Calculation:

$$\begin{array}{r}
 \text{(Total Collectable Costs - Direct Costs)/Direct Costs = Administrative Percentage} \\
 \frac{\$801,818 \quad -\$782,023}{\$782,023} = 2.53\%
 \end{array}$$





## Rate Summary

CAP Rates	
Centrex Access	\$18.63 per line + FCC costs
Dedicated Long Distance	\$0.0947 per minute
Switched Long Distance	\$0.0748 per minute
Plexar Access	\$23.05 per line + FCC costs
Data Circuits	3.99% of actual cost
Voice Mail (standard mailbox)	\$8.63 per mailbox
Pass-Through Telephone Service	4.15% of actual cost
Toll-Free	\$0.0586 per minute
Internet	\$1.56 per account
Network Core	see rate schedule
Network Enhancement	see rate schedule
Wireless	4.16% of actual cost
Unified Communications	\$16.69 per line
Unified Communications Pass-Through	2.53% of actual cost
ISDN Calls	\$0.13 per minute
Directory Assistance	
Intrastate	\$1.99 per call
Interstate	\$1.99 per call
Toll	Actual Cost
Conference Calls*	
Progressive	\$10.00 per hour
Meet-Me	\$5.00 per hour

\* NOTE: Charges may apply if a scheduled conference is canceled without adequate advance notice.

## Rate History

CAP Rates	FY 2014	FY 2015	FY 2016
Centrex Access	\$19.55	\$19.58	\$18.63
Dedicated Long Distance	\$0.0684	\$0.0683	\$0.0947
Switched Long Distance	\$0.0743	\$0.0746	\$0.0748
Plexar Access	\$16.66	\$16.49	\$23.05
Data Circuits	3.83%	3.56%	3.99%
Voice Mail (standard mailbox)	\$5.23	\$5.13	\$8.63
Pass-Through Telephone Service	4.34%	3.93%	4.15%
Toll-Free	\$0.0577	\$0.0567	\$0.0586
Internet	\$1.31	\$1.45	\$1.56
Network Core	See rate schedu	0.2083	0.2167
Network Enhancement		6.044	5.3676
Wireless	4.59%	3.99%	4.16%
Unified Communications	\$11.89	\$12.68	\$16.69
Unified Communications Pass-Through	2.39%	2.15%	2.53%
ISDN Calls	\$0.13	\$0.13	\$0.13
Directory Assistance			
Intrastate	\$1.99	\$1.99	\$1.99
Interstate	\$1.99	\$1.99	\$1.99
Toll			
Conference Calls			
Progressive	\$10.00	\$10.00	\$10.00
Meet-Me	\$5.00	\$5.00	\$5.00

Rate Derivation Summary



	DIRECT		INDIRECT		TOTAL	UTIL or COST	RATE
	PS	E&E	PS	E&E			
CENTREX	\$56,413	\$1,183,843	\$20,024.82	\$11,368.38	\$1,271,649	68,256	<b>\$18.63</b>
DED LD	\$53,720	\$1,584,753	\$26,454.32	\$15,018.49	\$1,679,945	17,734,276	<b>\$0.0947</b>
SWITCHED LD	\$68,495	\$747,386	\$13,172.99	\$7,478.49	\$836,533	11,185,509	<b>\$0.0748</b>
PLEXAR	\$62,357	\$2,190,225	\$36,369.55	\$20,647.51	\$2,309,599	100,212	<b>\$23.05</b>
DATA CIRCUITS	\$135,139	\$9,490,721	\$155,416.45	\$88,232.13	\$9,869,509	\$9,490,721	<b>3.99%</b>
VOICE MAIL	\$38,507	\$301,563	\$5,490.67	\$3,117.13	\$348,678	40,404	<b>\$8.63</b>
PASS THROUGH	\$49,795	\$3,154,766	\$51,739.94	\$29,373.50	\$3,285,674	\$3,154,766	<b>4.15%</b>
TOLL FREE	\$55,285	\$3,593,315	\$58,909.28	\$33,443.63	\$3,740,953	63,875,247	<b>\$0.0586</b>
INTERNET	\$270,373	\$621,020	\$14,392.19	\$8,170.65	\$913,956	585,869	<b>\$1.56</b>
NETWORK CORE	\$3,326	\$545,695	\$8,864.33	\$5,032.41	\$562,917	2,597,310	<b>\$0.2167</b>
NETWORK ENHANCEMENT	\$6,752	\$1,098,148	\$17,839.41	\$10,127.69	\$1,132,867	211,056	<b>\$5.37</b>
WIRELESS	\$75,488	\$4,750,000	\$77,910.98	\$44,231.17	\$4,947,630	\$4,750,000	<b>4.16%</b>
UNIFIED COMM	\$645,713	\$2,790,601	\$55,481.77	\$31,497.79	\$3,523,294	211,056	<b>\$16.69</b>
UNIFIED COMM PASS	\$0	\$782,023	\$12,626.33	\$7,168.15	\$801,818	\$782,023	<b>2.53%</b>
<b>TOTAL</b>	<b>\$1,521,364</b>	<b>\$32,834,058</b>	<b>\$554,693</b>	<b>\$314,907</b>	<b>\$35,225,022</b>		

FY16 Network and Internet Rates	service factors							Annual Network							Internet	
	Core	BC	FW	VPN	Mgmt	WLAN	Total	Sub	Lesser of FTE or AD	Core Multiplier	0.2167	UC Lines-Enhancement	5.37	64.41	Monthly Core & Network Enhancement	1.56
											Monthly Network Core		Monthly Network Enhancement	Annual Network Enhancement		Monthly
AGENCY	Core	BC	FW	VPN	Mgmt	WLAN	Total	Sub	Lesser of FTE or AD	Core Multiplier	Monthly Network Core	UC Lines-Enhancement	Monthly Network Enhancement	Annual Network Enhancement	Monthly Core & Network Enhancement	Monthly
Agriculture	1	1	1	1	1	1	6	1	356	2,134	463	152	816	9,791	1,278	555
Attorney General's Office	1	0	0	0	0	0	1		364	364	79	73	392	4,702	471	568
Conservation	1	0	0	0	0	0	1		1634	1,634	354	-	-	0	354	2,548
Corrections	1	1	1	1	1	1	6	1	10992	65,950	14,293	962	5,164	61,964	19,457	17,147
DED - Public Service Commission	1	0	0	0	0	0	1		200	200	43	-	-	0	43	311
DESE	1	1	1	1	1	1	6	1	1193	7,158	1,551	725	3,892	46,698	5,443	1,861
DESE - Voc Rehab & Disability	1	1	1	1	1	1	6	1	0	-	0	769	4,128	49,532	4,128	-
Div of Energy	1	1	1	1	1	1	6	1	28	168	36	39	209	2,512	246	44
DPS - Adjutant General (MONG)	1	1	1	1	1	1	6	1	1	6	1	-	-	0	1	2
DPS - Capitol Police	1	1	1	1	1	1	6	1	30	180	39	11	30	709	98	47
DPS - Director's Office	1	1	1	1	1	1	6	1	90	540	117	100	537	6,441	654	140
DPS - Fire Safety	1	1	1	1	1	1	6	1	27	162	35	26	140	1,675	175	42
DPS - Liquor Control	1	1	1	1	1	1	6	1	0	-	0	20	107	1,288	107	-
DPS - SEMA	1	1	1	1	1	1	6	1	98	586	127	111	596	7,150	723	152
Economic Development	1	1	1	1	1	1	6	1	509	3,054	662	404	2,169	26,022	2,830	794
Ethics Commission	1	0	0	0	0	0	1		19	19	4	-	-	0	4	30
Governor's Office	1	0	0	0	0	0	1		20	20	4	-	-	0	4	31
Health and Senior Services	1	1	1	1	1	1	6	1	1774	10,646	2,307	1,854	9,952	119,419	12,259	2,768
Higher Education	1	1	1	1	1	1	6	1	56	338	73	66	354	4,251	427	88
House	1	0	0	0	0	0	1		406	406	88	-	-	0	88	633
Insurance	1	1	1	1	1	1	6	1	191	1,147	249	228	1,224	14,686	1,472	298
Insurance - Credit Union	1	1	1	1	1	1	6	1	6	36	8	8	43	515	51	9
Insurance - Finance	1	1	1	1	1	1	6	1	113	680	147	100	537	6,441	684	177
Insurance - Professional Reg	1	1	1	1	1	1	6	1	230	1,380	299	181	972	11,658	1,271	359
Labor & Industrial Relations	1	1	1	1	1	1	6	1	788	4,728	1,025	683	3,666	43,993	4,691	1,229
Legislative Research	1	0	0	0	0	0	1		37	37	8	-	-	0	8	57
Lottery Commission	1	0	0	0	0	0	1		151	151	33	-	-	0	33	235
Lt. Governor's Office	1	0	0	0	0	0	1		6	6	1	-	-	0	1	9
Mental Health	1	1	1	1	1	1	6	1	6066	36,396	7,888	2,555	13,714	164,571	21,602	9,463
Missouri State Highway Patrol	1	0	0	0	0	0	1		2565	2,565	556	1	5	64	561	4,001
MO VET Cmtry - BLOOMFIELD	1	1	1	1	1	1	6	1	4	24	5	-	-	0	5	6
MO VET Cmtry - FT LEONARD WOOD	1	1	1	1	1	1	6	1	4	24	5	-	-	0	5	6
MO VET Cmtry - HIGGINSVILLE	1	1	1	1	1	1	6	1	4	24	5	-	-	0	5	6
MO VET Cmtry - JACKSONVILLE	1	1	1	1	1	1	6	1	4	24	5	-	-	0	5	6
MO VET Cmtry - SPRINGFIELD	1	1	1	1	1	1	6	1	4	24	5	-	-	0	5	6
MO VET COM	1	1	1	1	1	1	6	1	81	486	105	51	274	3,285	379	126
MO VET HOME - CAMERON	1	1	1	1	1	1	6	1	91	546	118	70	376	4,509	494	142
MO VET HOME - CAPE GIRARDEAU	1	1	1	1	1	1	6	1	74	444	96	-	-	0	96	115
MO VET HOME - MEXICO	1	1	1	1	1	1	6	1	72	432	94	-	-	0	94	112
MO VET HOME - MT VERNON	1	1	1	1	1	1	6	1	91	546	118	-	-	0	118	142
MO VET HOME - ST JAMES	1	1	1	1	1	1	6	1	68	408	88	-	-	0	88	106
MO VET HOME - ST LOUIS	1	1	1	1	1	1	6	1	153	918	199	-	-	0	199	239
MO VET HOME - WARRENSBURG	1	1	1	1	1	1	6	1	88	528	114	85	456	5,475	571	137
Natural Resources	1	1	1	1	1	1	6	1	1396	8,376	1,815	1,208	6,484	77,809	8,299	2,178
OA	1	1	1	1	1	1	6	1	786	4,716	1,022	140	751	9,018	1,774	1,226
OA-ITSD	1	1	1	1	1	1	6	1	627	3,762	815	1,146	6,151	73,815	6,967	978
Public Defenders	1	0	0	0	0	0	1		588	588	127	-	-	0	127	917
Revenue	1	1	1	1	1	1	6	1	1065	6,387	1,384	857	4,600	55,201	5,984	1,661
Secretary of State	1	0	0	0	0	0	1		228	228	50	-	-	0	50	356
Senate	1	0	0	0	0	0	1		175	175	38	-	-	0	38	273
Social Services	1	1	1	1	1	1	6	1	6364	38,184	8,276	4,942	26,527	318,321	34,802	9,928
State Auditor's Office	1	0	0	0	0	0	1		110	110	24	-	-	0	24	172
State Courts Administrator	1	0	0	0	0	0	1		3212	3,212	696	-	-	0	696	5,010
State Tax Commission	1	0	0	0	0	0	1		39	39	8	21	113	1,353	121	61
State Treasurer's Office	1	0	0	0	0	0	1		46	46	10	-	-	0	10	72
Transportation	1	0	0	0	0	0	1		5501	5,501	1,192	-	-	0	1,192	8,582
<b>TOTAL</b>	<b>56</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>247</b>		<b>48,822</b>	<b>216,443</b>	<b>46,910</b>	<b>17,588</b>	<b>94,406</b>	<b>1,132,867.2</b>	<b>141,315</b>	<b>76,163</b>