

I believe Senator Hunhoff (there may have been others) asked about whether BIT rates would change with no salary policy change. The impact of no salary policy will decrease two rates as follows:

- **Development Fee** - the \$1 per hour projected increase will not have to be applied; the rate will stay at FY09 level. The agencies used 192,691 hours during FY08; hence, BIT would not need to recover \$192,691. However, BIT projects, based on the first seven months in FY09, agencies will use 199,256 hours during FY09.
- **User Fee** - the \$1 per seat per month projected increase will not have to be applied; the rate will stay at FY09 level. The agencies had 98,036 seats during FY08; hence, BIT will not have to collect \$98,036. However, BIT projects, based on the first seven months in FY09, agencies will use 98,611 seats during FY09.

The Governor's revised recommended budget for FY2010 includes additional funds for the previously projected increase in BIT rates in the amount of \$37,355 general funds and \$27,216 federal fund expenditure authority within the Department of Social Services; \$194,000 other fund expenditure authority within the Department of Transportation; \$2,864 other fund expenditure authority within the Department of Public Safety; and \$71 general funds within the Auditor's Office. BFM will be bringing an amendment forth to remove the additional funds (\$261,506 total) from the general bill since they will no longer be needed.

Note that most rates are recovering far more hardware and software costs than personal services. Only the Development Fee and User Fee are greatly influenced by personal services.

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