




DATE: May 14, 2014

TO: Senator Tom Saxhaug
Representative Mary Murphy

FROM: Ryan Church, Assistant Commissioner 

SUBJECT: Internal Service Fund Rates for FY 2014

Summary information regarding Admin's internal service fund rates for FY 2014 is attached as required by Minnesota Statutes 16B.48, Subdivision 4. Attachments include:

- Summary of percentage rate changes
- Six-year rate comparisons for each internal service fund

Internal service fund revenue is generated from charges by Admin to other agencies. The rates charged have been reviewed and approved as outlined in the next paragraph and cover the cost of providing the services and products.

Each year, business plans and rates are carefully developed. In FY 2014, internal service funds (businesses) carefully analyzed actions that could be taken to ensure that quality goods/services are provided at the best value. Reviews were completed by Admin's executive team and by Minnesota Management and Budget to ensure that the businesses are positioned to respond to agencies' needs, provide rates sensitive to agencies' budgets and maintain financial stability.

Business plans for each internal service fund are being provided to Kevin Lundeen and Helen Roberts.

Should you or your staff have any questions or comments regarding the rates or the underlying business plan details, please contact me.

Cc Kevin Lundeen, Senate
Helen Roberts, House
Margaret Kelly, MMB
Micah Intermill, MMB
Nicky Giancola, Admin
Curt Yoakum, Admin
Julie Poser, Admin
Lenora Madigan, Admin
Legislative Reference Library



Internal Service Fund Rate Adjustments for FY 2014

The following information represents the overall rate adjustments in each of the Admin internal service fund operations. The impact of specific rates within each operation may differ from the overall rate adjustment. These rates were reviewed extensively by Admin leadership and were approved by the Department of MN Management and Budget pursuant to Minnesota Statutes 16A.126.

Fleet & Surplus Services	- Fleet Services	0.00%
	- Surplus Services	0.00%
Plant Management	- Central Mail	0.00%
	- Leases (Interim rate for 321 Grove Bldg. 1)	(0.2%)
	- Parking	0.00%
	- Repairs & Other Jobs	0.00%
	- State Register	0.00%
Risk Management	- Property and Casualty	0.00%
	- Workers Compensation	5.00% increase in Administration fees

Fleet Services

Six Year Rate Comparison

Lease Rate History for Individualized Leases

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Existing Vehicle Rate Adjustment	0.0%	(3.0%)	(3.0%)	0.0%	0.0%	0.0%
Managed Maintenance Rate **						
Human Services (base year FY2011, \$824 per year)			base	0%	0.00%	108.00%
Pollution Control (base year FY2011, \$354 per year)			base	0%	0.00%	0.00%
Plant Management (base year FY2012, \$719 per year)						86.00%
Actual Gasoline Cost History *	\$2.57	\$2.65	\$3.19	\$3.53	\$3.55	\$3.40
Average New Car Acquisition Cost *	\$18,626	\$19,315	\$19,987	\$21,200	\$21,900	\$22,000

* FY2013 and FY2014 estimated

** This rate was developed based on historical data as well as Fleet Services estimated costs.
The rate is analyzed and adjusted annually based on actual maintenance expenses

This chart does not include the 50 cent per gallon credit for the use of E85 fuel. This credit is an increase of 25 cents from FY2013.

Fuel charged to agencies for agency owned vehicles is charged at cost on a reimbursement basis.

In some cases, lease rates are developed that do not include all of the components documented on page 39. Rates for MNSCU and political subdivisions do not include fuel. Rates for political subdivisions do not include insurance. If state customers wish to contribute the vehicle expense portion of the rate, rates are developed that do not include vehicle expense or related interest expense.

Costs for items removed from vehicles may be charged to the customer based on replacement cost or anticipated loss from sale. The cost of mechanical repair work due to misuse, abuse, neglect of equipment, or smoking in the vehicle is the responsibility of the customer. Fleet Services may charge the customer for mechanical repair resulting from misuse, abuse, or neglect of equipment or the additional cost for smoke removal.

Customers are charged an early termination fee of \$500. Vehicles turned in with physical damaged may be repaired with the customer being responsible for up to the \$500 insurance deductible.

Surplus Services

Six Year Rate Comparison

**MINNESOTA DEPARTMENT OF ADMINISTRATION
SURPLUS SERVICES FUND 4502
FOR FISCAL YEAR 2014**

Rate	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Auction Admin. Fee (Metro/Online) (Items \$4,000 and under)	10%	10%	10%	10%	10%	10%
Auction Admin. Fee (Out-state) (Items \$4,000 and under)	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Auction Admin. Fee (Metro/Online) (Items over \$4,000)	8%	8%	8%	8%	8%	8%
Auction Admin. Fee (Out-state) (Items over \$4,000)	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Host Fee	1%	1%	1%	0%	0%	0%
State Surplus Property Fee	Various	Various	Various	Various	Various	Various
Computer Wiping Fee	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Garage Sale Fee	Various	Various	Various	Various	N/A	N/A
Storage Fee (Inside)	\$5.85*	\$5.85*	\$5.85*	\$5.85*	\$5.85*	\$5.85*
Storage Fee (Outside)	\$25.00~	\$25.00~	\$25.00~	\$25.00~	\$25.00~	\$25.00~
Forklift Fee	\$29.60^	\$29.60^	\$29.60^	\$29.60^	\$29.60^	\$29.60^
Truck Fee	\$43.00^	\$43.00^	\$43.00^	\$43.00^	\$43.00^	\$43.00^
Warehouse Person Fee	\$21.65^	\$21.65^	\$21.65^	\$21.65^	\$21.65^	\$21.65^
Warehouse Supervisor Fee	\$29.20^	\$29.20^	\$29.20^	\$29.20^	\$29.20^	\$29.20^
Online Auction Minimum Fee			≤\$50	≤\$50	≤\$50	≤\$50
Surplus/Exchange Fee (Requested price of \$500 or more)			≤\$50	≤\$50	≤\$50	≤\$50
*Annual Sq. Ft. Cost						
~Vehicle Monthly						
^Hourly						
FY 2009 and Forward - Auction Admin. Fee Not to Exceed \$1,000 Per Item						

PMD Central Mail

Six-year Rate Comparison

MINNESOTA DEPARTMENT OF ADMINISTRATION
CENTRAL MAIL
FOR FISCAL YEAR 2014

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Sacking/labeling						
First 1,000	\$13.00	n/a	n/a	n/a	n/a	n/a
Each additional piece	\$0.02	n/a	n/a	n/a	n/a	n/a
Pre-sort (3-digit) Warrant - Per piece						
	\$0.01	\$0.01	n/a	n/a	n/a	n/a
Warrants - Per thousand						
Self mailer	\$7.00	n/a	n/a	n/a	n/a	n/a
Double Postcards	\$9.00	n/a	n/a	n/a	n/a	n/a
Traditional Inserting						
Inserting Set-Up	n/a	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Inserting Per Thousand - 1 Insert	n/a	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
Inserting Per Thousand - Additional Inserts	n/a	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
1 Insert - First 1,000	\$25.00	n/a	n/a	n/a	n/a	n/a
Additional 1,000s	\$18.00	n/a	n/a	n/a	n/a	n/a
2 Inserts - First 1,000	\$29.00	n/a	n/a	n/a	n/a	n/a
Additional 1,000s	\$19.00	n/a	n/a	n/a	n/a	n/a
3 inserts - First 1,000	\$33.00	n/a	n/a	n/a	n/a	n/a
Additional 1,000s	\$20.00	n/a	n/a	n/a	n/a	n/a
4 inserts - First 1,000	\$36.50	n/a	n/a	n/a	n/a	n/a
Additional 1,000s	\$21.00	n/a	n/a	n/a	n/a	n/a
5 Inserts - First 1,000	\$39.50	n/a	n/a	n/a	n/a	n/a
Additional 1,000s	\$23.00	n/a	n/a	n/a	n/a	n/a
6 inserts - First 1,000	\$43.50	n/a	n/a	n/a	n/a	n/a
Additional 1,000s	\$24.00	n/a	n/a	n/a	n/a	n/a
Match inserting						
Set-up	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Inserting fee (per thousand) - 2 inserts	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
Inserting fee (per thousand) - 3 inserts	\$28.00	\$28.00	\$28.00	\$28.00	\$28.00	\$28.00
Sorting and Bar-coding - Per piece						
Scheduled runs	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020
Small runs (metered number of runs) ¹	\$0.029	\$0.029	\$0.029	\$0.029	\$0.029	\$0.029
Double postcard sort	\$0.025	n/a	n/a	n/a	n/a	n/a
Postage handling fee						
House/Senate monthly delivery - each body	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
	\$100	\$100	\$100	\$100	\$100	\$100
Ink-jet addressing						
Set-up	\$23.00	\$51.00	\$51.00	\$51.00	\$51.00	\$51.00
Data Import (Included in set up FY 2010 and after)	\$28.00	n/a	n/a	n/a	n/a	n/a
NCOA (shop rate if NCOA only FY 2010 and after)	\$38.00	n/a	n/a	n/a	n/a	n/a
NCOA - 13,001 - 50,000 (incl in inkjet addressing beginning in FY 2010)	\$2.90	n/a	n/a	n/a	n/a	n/a
NCOA - 50,001 - 100,000 (incl in inkjet addressing beginning in FY 2010)	\$2.40	n/a	n/a	n/a	n/a	n/a
NCOA - More than 100,001 (incl in inkjet addressing beginning in FY 2010)	\$1.85	n/a	n/a	n/a	n/a	n/a
NCOA (zip+4 standard/sort) – Per thousand	\$7.50	\$9.50	\$9.50	\$9.50	\$9.50	\$9.50
Addressing – Per thousand	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50
Pre - sort flat (Bulking - Per piece)	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
Pre-sorting letters - Per piece	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02
Quantity Discount > 500,000	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
Ink Jet Custom	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Tabbing Set-up	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Tabbing	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
Permit filing Use of state permit #171						
	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Shop rate²						
	\$36.75	\$36.75	\$36.75	\$36.75	\$36.75	\$36.75
Agency Delivery Service³						
	n/a	n/a	n/a	\$68.10	\$68.10	\$68.10
Folding Per thousand per fold						
	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00

¹Metered bar-code runs are set by the USPS and are subject to change

²On rare occasion, 1 1/2 times the billing rate may be assessed for rush overtime jobs, related to the required service

³Previously part of PMD's Materials Transfer business

PMD Parking

Six-year Rate Comparison

**MINNESOTA DEPARTMENT OF ADMINISTRATION
PARKING
FOR FISCAL YEAR 2013**

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013/2014</u>	<u>Difference</u>
Lot	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75	\$29.75	\$0.00
Lot U	n/a	n/a	\$120.00	\$120.00	\$120.00	\$120.00	\$0.00
Lot - Satellite at reduced rate	15.00	n/a	n/a	n/a	n/a	n/a	n/a
Ramp	51.67	51.67	51.67	51.67	51.67	51.67	\$0.00
Top Deck	34.13	34.13	34.13	34.13	34.13	34.13	\$0.00
Garage	104.26	104.26	104.26	104.26	104.26	104.26	\$0.00
Motorcycle - Lot	14.83	14.83	14.83	14.83	14.83	14.83	\$0.00
Motorcycle - Ramp	22.27	22.27	22.27	22.27	22.27	22.27	\$0.00
Segway - Garage - Annual	50.00	50.00	50.00	50.00	50.00	50.00	\$0.00
Legislative Intern per month	10.00	10.00	10.00	10.00	10.00	10.00	\$0.00
Daily Permit	5.00	5.00	5.00	5.00	5.00	5.00	\$0.00
Daily Bus Permit	10.00	10.00	10.00	10.00	10.00	10.00	\$0.00
Pkg Lost/Stolen Replacement Tag	25.00	25.00	25.00	25.00	25.00	25.00	\$0.00
Lost/Stolen Bike Locker Key	25.00	25.00	25.00	25.00	25.00	25.00	\$0.00
Lost/Replacement Metropass - 1st time	20.00	20.00	20.00	20.00	20.00	20.00	\$0.00
Lost/Replacement Metropass - 2nd time	40.00	40.00	40.00	40.00	40.00	40.00	\$0.00
Parking Meter per hour	1.50	1.50	1.50	1.50	1.50	1.50	\$0.00
Bike locker - Annual	50.00	50.00	50.00	50.00	50.00	50.00	\$0.00
Metropass	29.75	29.75	29.75	45.00	45.00	45.00	\$0.00

Notes:

Rates are per month unless otherwise noted

Replacement Metropass rates are set by MetroTransit

Low Cost Satellite lot was available through December 2007

Parking Meter maximum daily charge is \$6.00

PMD Repair & Other Jobs

Six Year Rate Comparison

**MINNESOTA DEPARTMENT OF ADMINISTRATION
REPAIR AND OTHER JOBS (ROJ)
FOR FISCAL YEAR 2014**

<u>Rate</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Labor - Regular	\$62.50	\$65.50	\$65.50	\$65.50	\$65.50	\$65.50
Labor - Premium	75.00	78.60	78.60	78.60	78.60	78.60
Signature Keys	5.00	5.00	5.00	5.00	5.00	5.00
Other Keys	1.10	1.10	1.10	1.10	1.10	1.10

PMD - State Register

SIX-YEAR RATE COMPARISON

**MINNESOTA DEPARTMENT OF ADMINISTRATION
State Register
FOR FISCAL YEAR 2013**

<u>Rate</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013/2014</u>
Billable page rate	\$144	\$144/\$136 ¹	\$136	\$136	\$102 ²	\$102
Annual subscription (State Register only via e-mail)	\$180	\$180	\$180	\$180	\$180	\$180
Annual subscription - commercial use (State Register e-mail content)	N/A	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
Notarized affidavit fee	N/A	N/A	N/A	\$15	\$15	\$15
Copies	N/A	N/A	N/A	N/A	\$5	\$5

¹ Page rate declined from \$144 to \$136 on 4/13/09 after commercial subscription payment was received.

² Page rate reduction was effective 11/1/2011

RMD - Workers Compensation

Six-Year Rate Comparison

**MINNESOTA DEPARTMENT OF ADMINISTRATION
RISK MANAGEMENT DIVISION / WORKERS' COMPENSATION PROGRAM
FOR FISCAL YEAR 2014**

RATE	FY2009	FY2010	FY2011	FY 2012	FY 2013	FY2014
Administrative Fee						
The Administrative Fee of \$2,496,000 had remained the same since FY 2004. In FY13, the fee was increased by 5% to \$2,620,800. It is apportioned based on the following factors:						
- Average number of employees for the period 7/01 through 3/31						
- Number of open claims on 3/31						
- Number of payment transactions for the period 7/01 through 3/31						
When shown as a comparison to the average number of covered employees there may be a slight variance from year to year as the number of covered employees can fluctuate annually. (Admin fee/Avg number of covered employees) *	41.9	41.51	41.51	41.28	44.24	44.62
Premium Pool						
The amount charged to agencies in the premium pool is based on the previous 5-year average agency loss experience.						
Pay-As-You-Go						
The amount charged to pay-as-you-go agencies is based on actual claim payments.						
Legal Services						
Attorney	95.00	95.00	114.00	114.00	114.00	123.00
Paralegal	55.00	55.00	64.00	64.00	64.00	68.00
Rehabilitation Services						
QRC's	N/A	N/A	65.00	65.00	65.00	70.00
Managed Care Fee						
(rate/employee/month)						
1 st six months	2.10	2.15	2.15	2.15	2.17	2.17
2 nd six months	2.15	2.15	2.15	2.17	2.17	2.17

Note: The CorVel contract was extended 6 months while the Program implemented the new iRISK system. The new contract will be on a fiscal year basis.