



**BOARD ACTION MEMORANDUM**

**TO:** NCUA Board **DATE:** November 20, 2008  
**FROM:** Chief Financial Officer *MAW* **SUBJ:** FY 2009/2010 Budget

**ACTION REQUESTED:** Board approval of the fiscal year 2009 and 2010 budgets.

**DATE ACTION REQUESTED:** November 20, 2008

**OTHER OFFICES CONSULTED:** All Regional and Central Office Directors

**VIEWS OF OTHER OFFICES CONSULTED:** All concur

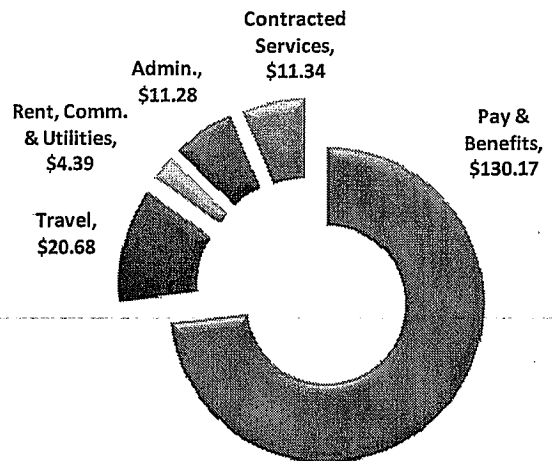
**BACKGROUND:** The budget was prepared from requests submitted by all offices within NCUA. Thorough budget review sessions were conducted for all offices, and interviews with all office and regional directors were held. The budget presented below has been discussed and agreed upon by the responsible office and regional directors.

**BUDGET IMPACT:** Presented below

**RESPONSIBLE STAFF MEMBERS:** Executive Director J. Leonard Skiles and Chief Financial Officer Mary Ann Woodson

**SUMMARY:** The 2009 budget of \$177,863,682 represents an increase of \$19,232,235 or **12.1 percent** over the 2008 budget of \$158,631,447. The total full-time equivalent (FTE) staffing authorization requested for 2009 is 1,016, which includes an FTE increase of 51 from the prior year.

**2009 Budget**  
(amounts in millions)



The increase in the budget is to accommodate inflationary increases over 2008 as well as program modifications due to the current turbulent economic environment. These modifications include the Twelve Month Program and the National Exam Team.

Office budgets are formulated based on historical actual spending patterns and the potential impact of the economic outlook on the credit union industry. In addition, zero based budgeting techniques are used, which is the process of preparing a budget that starts with no authorized funds, and each activity to be funded must be justified each budget cycle. Additionally, office directors justify their budget requests in relation to supporting the agency's mission and strategic goals.

On October 30, 2008, a budget briefing and public forum was conducted. All comments that were received by the Board Secretary were distributed for consideration to the *Board*, the *Office of Executive Director*, and the *Office of the Chief Financial Officer*.

**Full-Time Equivalent (FTE)**

The FTE level requested for 2009 is 1,016, which is an increase of 51 FTEs from the 2008 authorized level. Attachment 2 lists authorized FTEs by office. The most significant increase relates to the Twelve Month Program, which adds 45 FTEs. See item 27 below for additional information.

**Budget**

The budgetary components of the 2009 budget are:

<u>Category</u>	<u>2008 Budget</u>	<u>2009 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Employee Pay	\$92,980,137	<b>\$101,800,579</b>	\$8,820,442	9.49%
Employee Benefits	25,447,983	<b>28,367,227</b>	2,919,244	11.47%
Travel	15,416,204	<b>20,677,769</b>	5,261,565	34.13%
Rent, Communications & Utilities	4,167,576	<b>4,388,796</b>	221,220	5.31%
Administrative	11,838,936	<b>11,284,954</b>	(553,982)	-4.68%
Contracted Services	8,780,611	<b>11,344,357</b>	2,563,746	29.20%
<b>Total</b>	<b>\$158,631,447</b>	<b>\$177,863,682</b>	<b>\$19,232,235</b>	<b>12.12%</b>
Subtotal Payroll Exp.	\$118,428,120	\$130,167,806	\$11,739,686	9.91%
Subtotal Non-Payroll Exp.	40,203,327	47,695,876	7,492,549	18.64%

**BUDGET DETAIL BY EXPENSE CATEGORY:** The following items account for the material changes in the 2009 budget. Comparisons are to the 2008 approved budget. Amounts have been rounded to the nearest thousand dollars.

**Employee Pay and Benefits**

Total employee pay and benefits increased \$11,740,000 or 9.91 percent to \$130,168,000. The major changes in these expense categories include:

1. The Twelve Month Program, which adds 45 FTEs, results in an **increase of \$3,172,000** or 27 percent of the category increase. See item 27 below for additional information.
2. Merit and locality pay adjustments result in an **increase of \$5,798,000**. As specified in the collective bargaining agreement dated January 11, 2008, the average merit pay increase is five (5) percent, and the locality adjustment, which includes the increases and decreases across all localities, can range from a negative (-) to a positive (+) three (3) percent. Changes in locality rates are dictated by the President's Pay Agent. The

budget assumes a net growth of 6.4 percent for the combined effect of the merit pay and locality adjustments. These adjustments are effective March 15, 2009.

3. Mandatory employee benefits account for an **increase of \$1,735,000** and include increases for: Federal retirement systems contributions, \$800,000; Old Age, Survivors, and Disability Insurance/Medicare contributions, \$417,000; and health benefits insurance, \$518,000. The increase in health benefits insurance is greater than last year's increase of 1.7 percent and is based on the 6.5 percent increase announced by the *Office of Personnel Management* on September 25, 2008.
4. The net increase of ten (10) positions, including five (5) problem case officers and three (3) risk management officers results in an **increase of \$702,000**. Because the hiring for the positions will occur throughout the year, these ten (10) positions equate to six (6) FTEs.
5. The remaining **increase of \$333,000** results from a number of increases and decreases in other expense elements including awards, travel bonus, health maintenance, and transit subsidy.

### **Travel**

Travel increased \$5,262,000 or 34.13 percent to \$20,678,000. The major changes in this expense category include:

6. The Twelve Month Program results in an **increase of \$1,682,000** or 32 percent of the category increase. This increase includes two components: 1) examiner program travel of \$853,000; and 2) new hire travel for training of \$829,000. See item 27 below for additional information.
7. The five (5) regions calculate an overall program travel **increase of \$3,547,000**. This travel budget recognizes 2008 mid-session inflationary increases as well as 2009 inflationary pressures. These pressures include the GSA city pair airfare average increase of 13 percent, and GSA per diem rate average increase of 4 percent. Also, given the workload of Region V (Tempe), examination efforts in Nevada and Alaska will be supported by Region I (Albany) and Region II (Capital), respectively. Accordingly, travel for these two regions is increased by \$157,000.
8. The central offices calculate a net **increase of \$33,000** in travel costs. The *Office of Human Resources, Division of Training and Development*, recognizes a decrease in lodging of \$387,000, which represents the net change between: 1) regional conferences hosted in 2008; and 2) Subject Matter Examiner (SME) conferences and leadership conferences to be hosted in 2009. Travel for the remaining central offices results in a net increase of \$170,000 due to normal inflationary adjustments, such as GSA city pair airfares and GSA per diem rates described in item 7, above. Additionally, \$250,000 is added for the National Exam Team, which will focus on the most challenging cases with the highest risk to the National Credit Union Share Insurance Fund (NCUSIF). See item 28 below for additional information.

## **Rent, Communications & Utilities (RCU)**

RCU increased \$221,000 or 5.31 percent. The major changes in this expense category include:

9. The Twelve Month Program results in an **increase of \$43,000** for telecommunication costs (e.g., wireless broadband access and cell phones for new examiners).
10. The *Office of the Chief Information Officer* will incur a net **increase of \$144,000** for a dedicated T3 line to provide a more thorough and real-time backup of vital agency data.
11. The remaining net **increase of \$34,000** results from a number of smaller increases and decreases in other expense elements including postage, rents, and utilities.

## **Administrative**

Administrative expenses decreased \$554,000 or 4.68 percent. Depreciation expense associated with capital acquisitions is contained within the Administrative category. The major changes in this expense category include:

12. The Twelve Month Program results in an **increase of \$196,000** for recruiting, computer leasing expenses, and office supplies.
13. The assessments by the *Federal Financial Institutions Examination Council* (FFIEC) for the agency's share of FFIEC operations and the administration of the Home Mortgage Disclosure Act (HMDA) **increased by \$103,000** to a total of \$873,000.
14. The relocation budget is **decreased by \$400,000** to a total of \$1,500,000. The decrease is based on analyzing past relocation expense trends and anticipated relocation needs.
15. King Street Station interest expense reflects a **decrease of \$208,000** to a total of \$762,000 due to lower market interest rates. The interest rate charged on the building note is adjusted monthly based on the investment portfolio rate of return of the National Credit Union Share Insurance Fund.
16. Printing **decreased \$196,000** to a total of \$349,000 due to a decline in printing needs.
17. The remaining net **decrease of \$49,000** results from a number of smaller increases and decreases in other expense elements including supplies, shipping, refreshments, depreciation, credit reports, recruitment, and lease costs.

## **Contracted Services**

Contracted services increased \$2,564,000 or 29.20 percent. The major changes in this expense category include:

18. The Twelve Month Program results in an **increase of \$1,748,000** for temporary contractors to aid in the training of new examiners. See item 27 below for additional information.
19. The *Office of the Chief Information Officer* will incur an **increase of \$655,000** in consulting and contracted services for a total contracted services budget of \$3,742,000.

The increase relates to: 1) the certification and accreditation reviews required under the Federal Information Security Management Act of 2002 (FISMA), performed every three years, \$300,000; and 2) implementation of agency-wide records management projects, \$355,000. The records management projects include Federal required records retention and eDiscovery.

20. The *Office of Chief Information Officer* and the *Office of the Chief Financial Officer* budget for an **increase of \$82,000** for temporary labor related to the logistics of exchanging laptop computers and peripherals during the computer roll-out. This exchange is performed every three years. See item 23 below for additional information.
21. The *Office of the Chief Financial Officer, Division of Procurement and Facilities Management*, will incur a net **increase of \$72,000** due to additional costs for a new copy center contract.
22. The remaining net **increase of \$6,000** results from a number of increases and decreases spread among various cost elements including space repairs, equipment repairs, consulting, investigations, legal fees, and parking reimbursements. Included in this amount is \$25,000 in consulting for the *Office of Small Credit Union Initiatives* to analyze credit union chartering processes for better customer service. See item 29 below for additional information on centralizing chartering.

### **Capital Acquisitions**

An itemized listing of all capital acquisitions is contained in Attachment 3. Capital acquisitions total \$6,304,295 and include acquisitions through purchases and leases. The depreciation expense of \$929,436 and interest expense of \$127,359 associated with the Operating Fund are contained within the administrative category, above.

23. The *Office of the Chief Information Officer* budgets \$4,200,000 to replace laptop computers and peripheral equipment for agency staff and state supervisory authorities. This replacement is performed every three years. Although the new leasing cost, recognized as depreciation and interest in the administrative category, has not been determined, the agency anticipates that such cost will not vary significantly from the budgeted amount. Of the gross acquisition costs of \$4.2 million, the costs to be recognized by the Operating Fund over the three year lease will be approximately \$3.2 million. The remaining cost relates to laptops provided to State Supervisory Authorities, which are charged directly to the National Credit Union Share Insurance Fund.
24. The *Office of the Chief Financial Officer* budgets **\$2,500,000** for the second and final installment for the replacement of the agency's financial management system (total cost of \$5,000,000 over two years). The current system is 12 years old, is not Federal compliant, and is costly to maintain. In October 2008, the agency executed an agreement with the *Department of Transportation Enterprise Service Center* to migrate the agency's system to a shared service provider which represents best practices of the Office of Management and Budget and the Financial Systems Integration Office.
25. The *Office of the Chief Information Officer* requires **\$910,000** for acquisitions needed to maintain a current, stable, and secure network environment. A listing of acquisitions is in Attachment 3.

26. The remaining capital acquisitions relate to building maintenance and copier equipment. A listing of acquisitions is in Attachment 3.

**PROGRAMMATIC INITIATIVES:** Funding for the following programmatic initiatives is included in the section titled Budget Detail By Expense Category, immediately above. The cost of these initiatives is aggregated separately to facilitate transparency.

27. Twelve Month Program – These are extraordinary times and economic conditions require NCUA to be proactive rather than reactive. There are no indicators showing any improvement in the economy and all indications are that 2009 may be more difficult for financial institutions than 2008. NCUA must have current data and be able to recognize a sudden turn in a credit union's performance. We will rely on our on-site visits as well as using our technology for enhanced off-site monitoring and risk evaluations using the quarterly call reports and other monitoring tools from our central office.

This budget proposes the implementation of the Twelve Month Program. The program shall be comprised of the following components: 1) for federal credit unions, a risk focused examination or a material on-site supervision contact every 12 months based on risks being observed; and 2) for federally insured state chartered credit unions, NCUA will monitor all CAMEL coded 3 and 4 credit unions, negatively trending credit unions, and credit unions with a high risk profile. As appropriate and required, an on-site insurance review will be conducted. The focus will be on those States where market dislocations are the greatest. NCUA will consult and work with the State regulators in coordinating insurance reviews.

In total, **\$6,841,000** has been budgeted for this program. The program authorizes 56 positions, including 50 examiners, five (5) supervisory examiners, and one (1) human resource specialist. Because the hiring for 56 positions will occur throughout the year, these positions equate to 45 FTEs. Therefore, the program adds 45 FTEs to the budget for 2009. The 2010 budget provides for the program at full performance. Accordingly, the remaining 11 FTEs are added to the 2010 budget.

The examiner FTEs and funding for the Twelve Month Program will be held temporarily in an undistributed account until the allocation to the regions is determined.

Travel costs for the program are \$1,682,000 and include examiner program travel of \$853,000, and new hire training of \$829,000. The new hire training travel consists of air fares, lodging, meals, and subsistence.

Other costs related to the program include \$1,748,000 for ten (10) outside contractors to provide training. The use of outside contractors will allow experienced examiners to remain productive and focused on credit union examination and supervision. Normally, experienced examiners would spend a significant amount of time training new examiners. The agency plans to contract with retired examiners to provide some of this specialized training.

28. The National Exam Team will be led by a director from the *Office of the Executive Director*. In addition to a director, the team will consist of the equivalent of 10 members, which include five (5) problem case officers, four (4) subject matter examiners (e.g., specialized lending, capital markets, information systems), and one (1) loss risk analysis officer. Existing staff will be mobilized on an as needed basis to address the most challenging cases with the highest risk to the National Credit Union Share Insurance

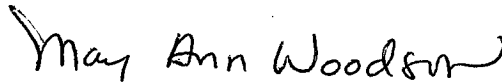
Fund (NCUSIF). While the team is a redirection of current staff and resources, additional costs of **\$250,000** for national travel are budgeted.

29. The program to centralize chartering transfers the regional chartering function to the *Office of Small Credit Union Initiatives* (OSCU). Centralizing this function will provide for a consistent, efficient, and effective national program. It will focus the use of resources to provide greater expertise in our chartering process and enhanced customer service. The program will also enable the regional offices to devote additional time and resources to the supervision of credit unions and other agency programs. This centralization includes the addition of one (1) FTE and \$25,000 in consulting to initiate an assessment of the credit union chartering processes. The transfer of the chartering function will be effective April 1, 2009.
30. Resource needs for the *Office of Corporate Credit Unions* – The agency is currently analyzing the long-term needs of the office and will address immediate staffing needs by detailing staff from other offices. Additional resources, as appropriate, may be added through the 2009 mid-session budget review or the 2010 budget request.
31. During 2009, the agency will celebrate the 75th anniversary of the Federal Credit Union Act. In commemoration and celebration of this milestone, the agency has budgeted \$30,000. Board Member Gigi Hyland will host an NCUA Symposium marking the 75th Anniversary of the Federal Credit Union Act on June 9-10, 2009, in Washington, DC. The Symposium will not only recognize the contributions of federal credit unions to our nation's financial system, but also look forward to the next 75 years and beyond. Experts and opinion leaders will be invited to present their views on topics of importance to the future of credit unions including alternative capital, field of membership and whether the current framework is the appropriate one for credit unions of the future, particularly in light of the upcoming debates resulting from the current economic crisis. The Symposium will help inform the NCUA Board at a time when the entire financial structure of the United States will be under examination and subject to possible efforts at reorganizing its regulatory structure.

**2010 BUDGET:** The initial fiscal year 2010 budget of \$189,967,271 represents an increase of \$12,103,589 or 6.80 percent compared to the 2009 budget. The budget includes an FTE level of 1,031, which is an increase of 15 FTEs to reflect the full performance level of positions added in 2009. The budget also includes an estimated 6.00 percent inflationary effect in both payroll and non-payroll items.

**RECOMMENDED ACTIONS:** The NCUA Board approve the following four actions:

1. The fiscal year 2009 budget of \$177,863,682 and 1,016.05 FTEs and the 2010 budget of \$189,967,271 and 1,031.05 FTEs, as presented in Attachments 1 and 2.
2. Cash outlays for the 2009 capital acquisitions totaling \$6,304,295 as presented in Attachment 3. The related depreciation expense and capital leasing costs for these acquisitions are contained in the 2009 budget.
3. Centralizing the chartering function from the regions to the *Office of Small Credit Union Initiatives* to be effective April 1, 2009.
4. For 2009 and 2010, vest within the Executive Director the authority to reprogram to the regions FTEs and funds related to the Twelve Month Program, held temporarily in an undistributed account, provided that: (a) the agency budget in total is not changed, (b) funds are solely reprogrammed for the Twelve Month Program and not reallocated for any other program, and (c) the Board is immediately notified of the reprogramming.



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Chief Financial Officer

Attachments



## BUDGET

<i>by Office</i>	2007	2008	2009	Change	%	2010	Change	%
Office of the Board	2,043,040	2,013,295	2,302,183	288,888	14.35%	2,440,314	138,131	6.00%
Office of Capital Markets and Planning	2,227,965	2,169,235	2,286,336	117,101	5.40%	2,423,516	137,180	6.00%
Office of the Chief Financial Officer	13,712,527	13,040,691	13,473,796	433,105	3.32%	14,282,224	808,428	6.00%
Undistributed, Twelve Month Examination Program	-	-	4,077,250	4,077,250	100.00%	5,570,274	1,493,024	36.62%
Office of the Chief Information Officer	10,470,199	11,411,075	12,384,796	973,721	8.53%	13,127,884	743,088	6.00%
Office of Small Credit Union Initiatives	3,909,484	4,209,024	4,705,102	496,078	11.79%	4,987,408	282,306	6.00%
Office of Corporate Credit Unions	6,488,885	6,846,654	7,070,054	223,400	3.26%	7,494,257	424,203	6.00%
Office of Examination & Insurance	3,948,301	4,485,919	4,929,461	443,542	9.89%	5,440,409	510,948	10.37%
Office of the Executive Director	1,374,949	1,339,863	1,653,334	313,471	23.40%	1,720,734	67,400	4.08%
Office of General Counsel	4,970,529	5,145,499	5,024,205	(121,294)	-2.36%	5,325,657	301,452	6.00%
Office of Human Resources	7,204,401	7,844,849	9,929,305	2,084,456	26.57%	10,525,063	595,758	6.00%
Office of Inspector General	1,831,880	1,996,463	2,435,327	438,864	21.98%	2,581,447	146,120	6.00%
Office of Public and Congressional Affairs	657,532	756,188	725,196	(30,992)	-4.10%	768,708	43,512	6.00%
Region I - Albany	17,281,610	17,675,325	19,510,477	1,835,152	10.38%	20,681,106	1,170,629	6.00%
Region II - Capital	17,883,578	18,697,302	20,503,973	1,806,671	9.66%	21,734,211	1,230,238	6.00%
Region III - Atlanta	17,834,508	18,914,133	20,419,483	1,505,350	7.96%	21,644,652	1,225,169	6.00%
Region IV - Austin	18,735,569	19,692,786	21,330,325	1,637,539	8.32%	22,610,145	1,279,820	6.00%
Region V - Tempe	18,969,180	19,761,707	22,165,708	2,404,001	12.16%	23,495,650	1,329,942	6.00%
Asset Management & Assistance Center	2,472,703	2,631,439	2,937,371	305,932	11.63%	3,113,612	176,241	6.00%
<b>Total</b>	<b>152,016,840</b>	<b>158,631,447</b>	<b>177,863,682</b>	<b>19,232,235</b>	<b>12.12%</b>	<b>189,967,271</b>	<b>12,103,589</b>	<b>6.80%</b>

**FULL-TIME EQUIVALENT (FTE)**

<i>by Office</i>	<b>2007</b>	<b>2008</b>	<b>Change</b>	<b>2009</b>	<b>Change</b>	<b>2010</b>	<b>Change</b>
Office of the Board	12.00	12.00	0.00	11.00	(1.00)	11.00	0.00
Office of Capital Markets and Planning	11.50	11.50	0.00	11.50	0.00	11.50	0.00
Office of the Chief Financial Officer	27.00	34.32	7.32	29.00	(5.32)	29.00	0.00
Undistributed, Twelve Month Examination Program	-	-	0.00	44.00	44.00	55.00	11.00
Office of the Chief Information Officer	32.00	32.00	0.00	32.00	0.00	32.00	0.00
Office of Small Credit Union Initiatives	24.00	24.00	0.00	26.00	2.00	26.00	0.00
Office of Corporate Credit Unions	35.00	35.00	0.00	35.00	0.00	35.00	0.00
Office of Examination & Insurance	22.70	24.40	1.70	25.90	1.50	27.40	1.50
Office of the Executive Director	6.00	6.00	0.00	6.00	0.00	6.00	0.00
Office of General Counsel	26.00	26.00	0.00	26.20	0.20	26.20	0.00
Office of Human Resources	32.00	31.00	(1.00)	31.00	0.00	31.00	0.00
Office of Inspector General	7.55	7.75	0.20	9.00	1.25	9.00	0.00
Office of Public and Congressional Affairs	6.00	6.00	0.00	5.00	(1.00)	5.00	0.00
Region I - Albany	132.17	132.50	0.33	134.00	1.50	134.50	0.50
Region II - Capital	144.50	143.35	(1.15)	143.85	0.50	144.35	0.50
Region III - Atlanta	138.00	137.40	(0.60)	138.90	1.50	139.40	0.50
Region IV - Austin	146.50	146.50	0.00	147.00	0.50	147.50	0.50
Region V - Tempe	136.50	136.70	0.20	141.20	4.50	141.70	0.50
Asset Management & Assistance Center	17.00	17.00	0.00	18.00	1.00	18.00	0.00
<b>Subtotal Operating Fund</b>	<b>956.42</b>	<b>963.42</b>	<b>7.00</b>	<b>1,014.55</b>	<b>51.13</b>	<b>1,029.55</b>	<b>15.00</b>
Central Liquidity Facility	1.50	1.50	-	1.50	-	1.50	-
<b>Total NCUA</b>	<b>957.92</b>	<b>964.92</b>	<b>7.00</b>	<b>1,016.05</b>	<b>51.13</b>	<b>1,031.05</b>	<b>15.00</b>

**CAPITAL ACQUISITIONS**

Office	Description	Useful Life Months	Months Used This Yr	Deprec Exp This Yr	Interest Exp This Yr	Total Expense This Year	Cash Outlay This Year
OCIO	Data and voice network upgrades: Hardware upgrades, switches, router replacements, and central office/regional office infrastructure upgrades	36	6	41,667	0	41,667	250,000
OCIO	Network printers: Printer upgrades and scheduled printer replacements	36	6	9,167	0	9,167	55,000
OCIO	Data processing upgrades: upgrades of servers, storage systems, and implementing appropriate server virtualization	36	6	41,667	0	41,667	250,000
OCIO	Network security: upgrades to firewalls, intrusion detection system and VPN	36	6	16,667	0	16,667	100,000
OCIO	Presentation equipment	36	6	5,000	0	5,000	30,000
OCIO	Storage Area Network upgrades	36	6	25,000	0	25,000	150,000
OCIO	Training Rooms: replacement and upgrades of projectors and other presentation equipment in central office classrooms	36	6	12,500	0	12,500	75,000
							910,000
OCFO	Accounting system upgrade (final installment; \$5,000,000 in total)	60	0	0	0	0	2,500,000
KING	Overhaul of two (2) chillers	120	9	9,750	0	9,750	130,000
KING	Computer room UPS	60	9	11,100	0	11,100	74,000
KING	Computer room air conditioning	120	10	5,667	0	5,667	68,000
KING	Fuel detection system for generator fuel tank	120	6	625	0	625	12,500
KING	Plaza paver repairs - Duke Street courtyard	120	6	17,500	0	17,500	350,000
KING	Open space signage	120	3	750	0	750	30,000
KING	Retail storefront awnings	120	6	2,500	0	2,500	50,000
KING	Balcony repairs	120	6	11,650	0	11,650	233,000
KING	Miscellaneous repairs and renovations	120	10	20,833	0	20,833	250,000
KING	T5 lights/diffusers for all offices	120	3	5,800	0	5,800	232,000
							1,429,500
AMAC / Region IV	Office modifications under American with Disabilities Act	120	6	1,250	0	1,250	25,000
AMAC / Region IV	Solar window film	120	12	2,500	0	2,500	25,000
							50,000
Region IV	One copier (purchase)	60	12	1,600	0	1,600	8,000
<b>SUBTOTAL - OPERATING FUND PURCHASES</b>				<b>243,192</b>	<b>0</b>	<b>243,192</b>	<b>4,897,500</b>
OCIO	Computer Lease (computers, printers, external hard drives) *	36	10	924,000	126,000	1,050,000	1,050,000
Region III	Two copiers (lease)	60	12	5,436	1,359	6,795	6,795
<b>SUBTOTAL - OPERATING FUND CAPITAL LEASES</b>				<b>929,436</b>	<b>127,359</b>	<b>1,056,795</b>	<b>1,056,795</b>
<b>TOTAL - OPERATING FUND</b>				<b>1,172,628</b>	<b>127,359</b>	<b>1,299,987</b>	<b>5,954,295</b>
OCIO	Computer Lease (computers, printers, external hard drives) *	36	10	308,000	42,000	350,000	350,000
<b>TOTAL - INSURANCE FUND</b>				<b>308,000</b>	<b>42,000</b>	<b>350,000</b>	<b>350,000</b>
<b>TOTAL - ALL FUNDS</b>				<b>1,480,628</b>	<b>169,359</b>	<b>1,649,987</b>	<b>6,304,295</b>

\* The computer lease cash outlays are \$1,400,000 per year and will total \$4,200,000 over a 36 month lease term.