

COST ALLOCATION AGREEMENT  
STATE AND LOCAL GOVERNMENTS

STATE OF ARIZONA  
100 N. 15<sup>th</sup> Avenue, Rm. 302  
PHOENIX, AZ 85007

DATE: July 8, 2011  
FILING REF.: The preced-  
ing agreement was dated:

11/15/10

G10266

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SECTION I: ALLOCATED COSTS

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The central service costs listed in Exhibit A, attached, are approved on a fixed basis and may be included as part of the costs of the State/local departments and agencies indicated during your fiscal year ended June 30, 2011 for further allocation to Federal grants, contracts and other agreements performed at those departments and agencies.

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SECTION II: BILLED COSTS

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In addition to Section I, which provides for services furnished but not billed, the services listed below are furnished and billed to State/local departments and agencies.

- Automation Service
- Telecommunication Service
- Personnel Division
- Motor Pool
- Special Services (Reproduction, Mail and Messenger, Central Supplies)
- Risk Management
- Auditor General (including ARRA admin. costs effective 2/17/09)
- Attorney General
- Government Information Technology Agency (GITA)
- Retirement Fund
- Health Insurance Trust Fund
- Unemployment Compensation
- Governor's Office of Economic Recovery (ARRA admin. costs effective 2/17/09)

Direct charges from the above centers will be billed in accordance with rates established by the State and included in the records of the operating department/agency responsible for providing services.

STATE/LOCALITY: State of Arizona

AGREEMENT DATE: July 8, 2011

SECTION III: CONDITIONS

The amounts approved in Section I and the billings for the services listed in Section II are subject to the following conditions:

A. LIMITATIONS: (1) Charges resulting from this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. (2) Such charges represent costs incurred by the State/locality which are legal obligations of the State/locality and are allowable under OMB Circular A-87. (3) The same costs that are treated as indirect costs are not claimed as direct costs. (4) Similar types of costs are accorded consistent accounting treatment. (5) The information provided by the State/locality which was used to establish this Agreement is not later found to be materially incomplete or inaccurate.

B. ACCOUNTING CHANGES: This Agreement is based on the accounting system purported by the State/locality to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from use of this Agreement require prior approval of the authorized representative of the Cognizant Agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from allocated cost to a billed cost. Failure to obtain approval may result in cost disallowances.

C. FIXED AMOUNTS: If fixed amounts are approved in Section I of this Agreement, they are based on an estimate of the costs for the period covered by the Agreement. When the actual costs for this period are determined, adjustments will be made to the amounts of a future year to compensate for the difference between the costs used to establish the fixed amounts and actual costs.

D. BILLED COSTS: Charges for the services listed in Section II will be billed in accordance with rates established by the State/locality. These rates will be based on the estimated costs of providing the services. Adjustments for variances between billed costs and the actual allowable costs of providing the services, as defined by OMB Circular A-87, will be made in accordance with procedures agreed to between the State/locality and the Cognizant Agency.

E. USE BY OTHER FEDERAL AGENCIES: This Agreement was executed in accordance with the authority in OMB Circular A-87, and should be applied to grants, contracts and other agreements covered by that Circular, subject to any limitations in Paragraph A above. The State/locality may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

BY THE STATE/LOCALITY

State of Arizona  
(STATE/LOCALITY)

D. Clark Partridge  
(SIGNATURE)

D. Clark Partridge  
(NAME)

State Comptroller  
(TITLE)

7-21-11  
(DATE)

BY THE COGNIZANT AGENCY

ON BEHALF OF THE FEDERAL GOVERNMENT  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
(AGENCY)

Wallace Chan  
(SIGNATURE)

Wallace Chan  
(NAME)

Director, Division of Cost Allocation  
(TITLE)

July 8, 2011  
(DATE)

HHS Representative Karen Wong  
Telephone (415) 437-7820

STATE OF ARIZONA STATEWIDE COST ALLOCATION PLAN SUMMARY OF ALLOCATED CENTRAL SERVICE COSTS FOR THE FISCAL YEAR ENDING JUNE 30, 2011

	DEPARTMENT OF ADMINISTRATION				DEPT OF LAW	TREASURER	LEGISLATURE	GOVERNOR'S OFFICE		ADOA	
	TOTAL ALLOCATED COSTS	GENERAL ACCOUNTING OFFICE	STATE PROCUREMENT SERVICE	RISK MANAGEMENT DIVISION	MAIL ROOM	ATTORNEY GENERAL	STATE TREASURER	PUBLIC RECORDS	OSPB	EQUAL OPPORTUNITY	OCCUPANCY
<b>GENERAL GOVERNMENT</b>											
Attorney General	2,561,748	21,120	37,778	326	2,126	167,680	806	128,032	33,924	3,039	2,166,916
Department of Commerce	265,213	22,024	2,365	(1)	1,480	54,624	295	105	9,213	383	174,724
Department of Housing	355,309	18,568	105	32	87	(36,447)	424	4,909	(820)	84	368,367
Office of the Governor	574,906	6,753	21,558	(31)	(2,187)	34,498	280	4,170	2,210	680	506,975
Library, Archives & Public Records	937,945	6,011	80,130	(4)	(1,427)	10,521	220	1,200	2,464	485	838,347
Homeland Security	185,669	6,374	2,276	11	40	28	118	-	(10,418)	-	187,240
Secretary of the State	398,290	4,094	326	(142)	5,063	212,285	(32)	5,071	3,696	255	167,675
Supreme Court	2,398,209	33,530	1,301	(409)	10	152,708	1,409	15,429	9,567	1,018	2,183,646
<b>HEALTH AND WELFARE</b>											
Health Care Cost Containment System	218,316	75,240	36,043	974	-	-	2,047	(48,975)	123,882	8,768	20,338
Department of Economic Security	2,330,519	319,758	54,249	6,970	3,159	(5,556)	48,736	85,333	148,695	24,111	1,645,065
Department of Environmental Quality	2,482,572	339,774	67,025	491	88	(422,904)	1,221	12,977	23,707	2,814	2,457,378
Department of Health Services	3,499,929	138,693	(67,923)	2,478	(2,118)	(103,798)	3,620	37,813	72,372	9,043	3,409,749
Comm for the Deaf & the Hard of Hearing	40,486	1,817	(15,548)	11	(1,414)	(731)	80	-	1,341	91	54,838
Veterans' Services	153,148	24,765	6,275	70	(1)	73,983	597	300	44,808	2,350	-
<b>INSPECTION AND REGULATION</b>											
Department of Agriculture	586,459	10,814	(33,206)	111	295	(7,818)	430	2,107	4,544	1,421	607,761
Dept of Building & Fire Safety	194,304	3,170	1,625	(2)	179	(1,488)	89	(791)	(12,776)	311	203,985
Corporation Commission	979,419	17,440	(2,315)	(526)	162	99,311	439	48,348	(24,076)	1,828	838,809
Industrial Commission	57,963	32,285	23,447	82	(392)	(1,278)	628	598	978	1,616	-
State Mine Inspector	45,556	588	(5,103)	(504)	14	3,823	40	-	5,011	90	41,597
Radiation Regulatory Agency	20,197	1,856	(2,909)	11	-	(108)	93	1,123	19,918	211	-
Board of Nursing	(3,811)	9,530	(3,515)	15	-	(19,649)	48	6,127	3,408	225	-
Structural Pest Control Commission	46,754	887	(14,748)	3	4	8,205	36	(429)	(1,123)	258	53,661
State Board of Pharmacy	170,102	13,008	129	6	223	(11,209)	4	378	4,828	102	162,631
<b>EDUCATION</b>											
AZ Commission on the Arts	31,277	776	(4,883)	6	-	(44)	67	-	(949)	61	36,243
Bd of Dir for Community Colleges	(6,721)	-	-	-	-	-	-	1,227	(7,949)	-	-
School for the Deaf and the Blind	(14,770)	19,433	(49,008)	(44)	(11)	21,171	1,770	(19)	(11,162)	3,101	-
Department of Education	1,081,033	71,307	(24,352)	(581)	67	180,867	2,306	4,632	122,166	1,580	723,041
Board of Regents	(8,005)	599	188	78	-	(6,237)	66	(79)	(2,768)	147	-
Arizona State University	61,461	196	60,266	12,725	-	(18,623)	(4)	4,388	2,513	-	-
Northern Arizona University	7,399	88	20,862	1,831	-	-	2	2,554	(17,937)	-	-
University of Arizona	51,875	390	48,143	10,655	-	(9,896)	(30)	-	2,612	-	-
Commission for Postsecondary Education	10,902	4,647	83	4	949	5,830	117	(106)	(26,873)	67	26,185
<b>PROTECTION AND SAFETY</b>											
Department of Corrections	1,405,941	164,604	123,203	(3,047)	(3,636)	113,636	16,584	148,501	131,142	53,892	661,063
AZ Criminal Justice Commission	183,604	6,725	(3,114)	12	(343)	14,746	193	-	1,802	49	163,534
Dept of Emergency Svcs & Military Affairs	39,488	18,917	3,170	695	-	(4,769)	1,328	-	19,630	517	-
Department of Public Safety	246,557	116,716	57,211	1,568	(2)	13,282	4,492	18,965	22,842	11,483	-
Governor's Office of Highway Safety	6,623	5,528	-	-	-	-	171	-	924	-	-
Juvenile Corrections	468,568	32,907	15,406	296	(747)	11,773	1,905	19,112	31,823	6,006	350,086
Auto Theft Authority	19,476	826	40	6	-	(42)	26	-	(3,983)	32	22,570
<b>TRANSPORTATION</b>											
Department of Transportation	1,685,936	1,165,342	19,693	6,248	(1,666)	396,447	18,569	18,338	63,492	25,473	(26,002)
<b>NATURAL RESOURCES</b>											
Game and Fish Department	312,466	308,416	30,444	1,487	-	(53,286)	8,562	(1,138)	16,530	1,450	-
Arizona Geological Survey	91,433	7,769	5,706	2	55	(1,686)	91	-	19,093	65	60,338
State Land Department	442,969	(12,312)	61,577	878	2	(177,919)	22	2,063	32,644	1,370	534,644
State Parks Board	257,679	36,916	579	517	-	10,197	665	3,111	11,706	1,317	192,670
Department of Water Resources	336,367	17,983	6,107	(182)	-	(1,326)	356	16,937	1,852	1,356	293,283
<b>OTHERS</b>											
	7,196,643	(213,789)	256,155	3,181	69,549	1,113,115	46,738	227,736	125,068	19,691	5,549,200
<b>CENTRAL SERVICE</b>											
	5,724,826	1,004,024	750,077	1,168	2,929	12,046	3,837	42,659	(12,925)	5,467	3,915,442
<b>TOTAL</b>	<b>38,132,230</b>	<b>3,866,108</b>	<b>1,566,919</b>	<b>47,476</b>	<b>72,536</b>	<b>1,825,965</b>	<b>169,466</b>	<b>812,709</b>	<b>986,743</b>	<b>192,309</b>	<b>28,591,999</b>