

**2010 Workload Analysis Update  
Items for Discussion**

1. For the 2010 Workload Analysis, we determined that we need 78.9 FTEs. We are currently allocated 69 FTEs. We know that with the current personnel hiring restrictions and continuing budgetary challenges across all of state government, the likelihood of personnel growth above the current maximum authorized personnel level (69 FTEs) is unlikely. Based on the total Division need (78.9 FTEs), the current personnel hiring restrictions create a shortfall of 9.9 FTEs. In order to address this shortfall, the DAQ reviewed all activities across each Office and Branch for their suitability to outsource to private contractors. A general survey of contractors was then conducted to determine a minimum, maximum, and average cost for outsourcing these activities. We determined that 4.51 FTEs are suitable for outsourcing. This results in 5.4 FTEs worth of activities above our current allocation of 69 FTEs that will not be completed. A review of remaining activities was conducted and the DAQ determined that there were many activities that could have a reduction in effort to bridge the needed gap. Please note that this outsourcing analysis does not consider outsourcing entire functions of the DAQ such as permitting, emission inventory, or stack testing. We chose activities that we felt could be successfully outsourced with the types of personnel that we currently have on staff.
  
2. Many of the LEAN activities that have been implemented over the past several years were considered in this Workload Analysis. For example, the needed hours to complete permitting activities were based upon the results of the Value Stream Mapping activities conducted in 2005 and 2006. In addition, other cost saving activities such as telecommuting, were considered when calculating relocation costs. Since the projected Base Year Program Support costs were based upon the average 2008 and 2009 expenditures, they represent significant cost saving measures that have been implemented during the current budget crisis.
  
3. While the Workload Analysis attempts to project future costs for the period from 2011 through 2013, there are some potential costs that we felt were simply too uncertain to include in the Workload Analysis. These costs are significant and include:
  - Grantham Lane Energy Costs – Grantham Lane energy costs have recently been paid through General Fund set aside money. They amount to approximately \$50,000 per year. These costs are not currently paid by DAQ, but with increasing cuts in General Fund money, they could be in the future.
  - DAQ currently does not pay rent for Grantham Lane as it is a State owned building. Grantham Lane is approximately 15,000 square feet. The typical rental rate for similar office space is \$13-\$16 per square foot. If for some reason DAQ is moved from the Grantham Lane building, which almost happened this year, DAQ would face an additional annual expenditure of \$195,000 to \$240,000 in rent.
  
4. For the 2007 Workload Analysis, two options for determining the Title V Cost were used:
  - Option 1 was based upon the LAP
  - Option 2 was based upon an analysis of each activity and whether it was Title V eligible. This was the Option that was chosen.

We are presenting Option 2 for determining the Title V Cost of the 2010 Workload Analysis. Since DAQ revenue sources have changed significantly since the 2007 Workload Analysis, we also wanted to explore how these changes would impact the total overall DAQ revenue and how much Title V Revenue would be needed to make up the balance. We are calling this exploration Option 3.

Option Description	Title V Cost
Option 2 – Full Need	\$4,930,708.20
Option 2 - Outsourcing	\$5,151,773.09
Option 3 – Full Need	\$4,671,895.58
Option 3 - Outsourcing	\$4,837,642.72