

Justification of Fixed Costs and Related Changes: Resource Management

	2007 Budget	2007 Revised	2008 Fixed Costs Change
Additional Operational Costs from 2007 and 2008 January Pay Raises			
1. 2007 Pay Raise, 3 Quarters in 2007 Budget	+\$6,702	+\$6,702	NA
<i>Amount of pay raise absorbed (assuming enactment at 2.2%)</i>	[\$2,872]	[\$2,872]	NA
2. 2007 Pay Raise, 1 Quarter (Assumed 2.2%)	NA	NA	+\$2,326
3. 2008 Pay Raise (Assumed 3.0%)	NA	NA	+\$16,083
These adjustments are for an additional amount needed to fund estimated pay raises for Federal employees.			
Line 1 is an update of 2007 budget estimates based upon the currently estimated enacted amount of 2.2% (although, if Congress enacts 2.7%, then the amount absorbed will increase).			
Line 2 is the amount needed in 2008 to fund the estimated 2.2% January 2007 pay raise from October through December 2007.			
Line 3 is the amount needed in 2008 to fund the estimated 3.0% January 2008 pay raise from January through September 2008.			

	2007 Budget	2007 Revised	2008 Fixed Costs Change
Other Fixed Cost Changes			
Two More Pay Days			+\$5,079
<i>This adjustment reflects the increased costs resulting from the fact that there is two more pay days in 2008 than in 2007</i>			
Employer Share of Federal Health Benefit Plans	+\$2,913	+\$2,913	+\$2,258
<i>Amount of health benefits absorbed</i>	[\$1,248]	[\$1,248]	
The adjustment is for changes in the Federal government's share of the cost of health insurance coverage for Federal employees. The increase is estimated at 6%, the average increase for the past few years.			
Workers' Compensation Payments	\$5,607	\$5,607	+\$395
<i>Amount of workers compensation absorbed</i>			
The adjustment is for actual charges through June 2005 in the costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for 2007 will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.			
Unemployment Compensation Payments	\$1,626	\$1,626	+\$166
<i>Amount of unemployment compensation absorbed</i>			
The adjustment is for estimated changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.			
Rental Payments	\$49,435	\$48,963	+\$658
<i>Amount of rental payments absorbed</i>			
The adjustment is for changes in the costs payable to General Services Administration and others resulting from changes in rates for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security; in the case of GSA space, these are paid to DHS. Costs of mandatory office relocations, i.e., relocations in cases where due to external events there is not alternative but to vacate the currently occupied space, are also included.			
Departmental Working Capital Fund	\$23,966	\$21,305	+\$620
<i>Amount of WCF payments absorbed</i>			
The change reflects expected changes in the charges for Department services and other services through the Working Capital Fund. These charges are displayed in the Budget Justification for Department Management.			