

Agency Expenditure Summary

	<u>FY 2015</u>		<u>FY 2016</u>		<u>FY 2017</u>	
	<u>Approp</u>	<u>Actual</u>	<u>Approp</u>	<u>Estimate</u>	<u>Request</u>	<u>Gov Rec</u>
By Function						
General Services	9,380,000	9,148,500	9,401,600	9,401,600	11,432,400	10,492,600
Audit	11,592,500	11,073,700	11,684,900	11,684,900	12,362,900	12,447,100
Collection	7,391,500	7,359,100	7,683,500	7,683,500	7,990,200	8,178,200
Revenue Operations	6,230,000	6,300,000	6,858,800	6,858,800	6,785,900	6,846,600
Property Tax	3,422,500	3,534,600	3,495,800	3,495,800	3,635,100	3,712,200
Total	38,016,500	37,415,900	39,124,600	39,124,600	42,206,500	41,676,700
By Fund Source						
General	30,962,200	30,891,900	32,175,500	32,175,500	34,908,100	34,330,600
Dedicated	6,883,000	6,368,800	6,755,800	6,755,800	7,105,100	7,152,800
Federal	8,000	0	8,000	8,000	8,000	8,000
Other	163,300	155,200	185,300	185,300	185,300	185,300
Total	38,016,500	37,415,900	39,124,600	39,124,600	42,206,500	41,676,700
By Object						
Personnel Costs	28,433,800	28,215,200	29,004,400	29,004,400	30,803,800	31,303,600
Operating Expenditures	8,945,200	8,526,300	9,418,800	9,418,800	11,006,300	9,976,700
Capital Outlay	637,500	674,400	701,400	701,400	396,400	396,400
Trustee/Benefit Payments	0	0	0	0	0	0
Lump Sum	0	0	0	0	0	0
Total	38,016,500	37,415,900	39,124,600	39,124,600	42,206,500	41,676,700
FTP Positions	447.00	447.00	447.00	447.00	455.00	451.00

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
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Description: The General Services Division consists of the Commissioners, Legal, Tax Administration, Human Resources, Information Technology, Management Services, and Communications. It provides for centralized management; internal policy development; taxpayer appeals; legal, personnel, fiscal, and computer services; and communication and outreach services for taxpayers.

FY 2016 Original Appropriation

3.00 FY 2016 Original Appropriation: SB 1165, SB 1119

General	60.05	4,646,800	2,997,900	158,600	0	0	7,803,300
Dedicated	6.60	516,600	946,900	115,700	0	0	1,579,200
Other	0.00	0	19,100	0	0	0	19,100
Total	66.65	5,163,400	3,963,900	274,300	0	0	9,401,600

FY 2016 Total Appropriation

General	60.05	4,646,800	2,997,900	158,600	0	0	7,803,300
Dedicated	6.60	516,600	946,900	115,700	0	0	1,579,200
Other	0.00	0	19,100	0	0	0	19,100
Total	66.65	5,163,400	3,963,900	274,300	0	0	9,401,600

FY 2016 Estimated Expenditures

General	60.05	4,646,800	2,997,900	158,600	0	0	7,803,300
Dedicated	6.60	516,600	946,900	115,700	0	0	1,579,200
Other	0.00	0	19,100	0	0	0	19,100
Total	66.65	5,163,400	3,963,900	274,300	0	0	9,401,600

Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2016.

General	0.00	0	(61,900)	(158,600)	0	0	(220,500)
Dedicated	0.00	0	(10,800)	(105,700)	0	0	(116,500)
Total	0.00	0	(72,700)	(264,300)	0	0	(337,000)

FY 2017 Base

General	60.05	4,646,800	2,936,000	0	0	0	7,582,800
Dedicated	6.60	516,600	936,100	10,000	0	0	1,462,700
Other	0.00	0	19,100	0	0	0	19,100
Total	66.65	5,163,400	3,891,200	10,000	0	0	9,064,600

Executive Budget Detail

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
Program Maintenance							
10.11	Change in Health Benefit Costs: This decision unit reflects the scheduled changes in the employer health benefit cost based upon the December projection by Milliman, which showed an increase from the June estimate. In addition, the Governor recommends discontinuing thriveidaho and adjusting the employer-employee cost-sharing split to reduce the financial impact to state employees.						
General	0.00	60,100	0	0	0	0	60,100
Dedicated	0.00	6,600	0	0	0	0	6,600
Total	0.00	66,700	0	0	0	0	66,700
10.12	Change in Variable Benefit Costs: This decision unit reflects the scheduled changes in the employer variable benefits cost.						
General	0.00	(300)	0	0	0	0	(300)
Total	0.00	(300)	0	0	0	0	(300)
10.23	Contract Inflation: The Governor recommends ongoing General Fund and dedicated fund spending authority for cost increases in the GenTax (\$55,900) and Manatron property tax (\$5,300) software contracts.						
General	0.00	0	49,900	0	0	0	49,900
Dedicated	0.00	0	11,300	0	0	0	11,300
Total	0.00	0	61,200	0	0	0	61,200
10.31	Repair, Replacement Items/Alterations: The Governor recommends replacing point-of-sale software for Taxpayer Services (\$80,000), two network servers (\$60,000), storage area network disk space (\$35,100), a firewall device (\$35,000), 110 desktop computers (\$82,600), 36 laptop computers (\$39,600), 10 network printers (\$15,000), four network switches (\$22,000), eight uninterruptible power supply batteries (\$3,200), and four vehicles (\$86,000).						
General	0.00	0	74,400	252,900	0	0	327,300
Dedicated	0.00	0	8,800	122,400	0	0	131,200
Total	0.00	0	83,200	375,300	0	0	458,500
10.41	Attorney General Fees: Adjustments to costs of legal services provided by the Office of the Attorney General are reflected here.						
General	0.00	0	500	0	0	0	500
Dedicated	0.00	0	100	0	0	0	100
Total	0.00	0	600	0	0	0	600
10.45	Risk Management Cost Increases: Adjustments to costs of insurance coverage as projected by a third-party actuary and billed by the Office of Insurance Management are reflected here.						
General	0.00	0	4,300	0	0	0	4,300
Dedicated	0.00	0	500	0	0	0	500
Total	0.00	0	4,800	0	0	0	4,800
10.46	Controller's Fee Charge: Adjustments to the costs of statewide accounting and statewide payroll processing provided by the Office of the State Controller are reflected here.						
General	0.00	0	17,900	0	0	0	17,900
Dedicated	0.00	0	2,000	0	0	0	2,000
Total	0.00	0	19,900	0	0	0	19,900

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
10.47 Treasurer's Fee Charge: Adjustments to the costs of cash management and warrant processing by the Office of the State Treasurer are reflected here.							
General	0.00	0	(136,900)	0	0	0	(136,900)
Dedicated	0.00	0	(15,200)	0	0	0	(15,200)
Total	0.00	0	(152,100)	0	0	0	(152,100)
10.61 Salary Multiplier - Regular Employees: The Governor recommends a 3% increase in employee compensation, to be distributed on a merit basis.							
General	0.00	109,200	0	0	0	0	109,200
Dedicated	0.00	11,100	0	0	0	0	11,100
Total	0.00	120,300	0	0	0	0	120,300
10.62 Salary Multiplier - Group and Temporary: The Governor does not recommend a compensation increase for group and temporary positions.							
General	0.00	0	0	0	0	0	0
Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0
10.64 27th Payroll: This decision unit reflects one-time costs associated with the 27th pay period that falls in FY 2017. Biweekly pay periods cover 364 days per year and the remaining day per year results in an additional pay period every 11 years.							
General	0.00	140,100	0	0	0	0	140,100
Dedicated	0.00	15,100	0	0	0	0	15,100
Total	0.00	155,200	0	0	0	0	155,200
10.65 27th Payroll - CEC Costs: The Governor recommends one-time CEC costs associated with the 27th payroll.							
General	0.00	4,500	0	0	0	0	4,500
Dedicated	0.00	300	0	0	0	0	300
Total	0.00	4,800	0	0	0	0	4,800

FY 2017 Total Maintenance

General	60.05	4,960,400	2,946,100	252,900	0	0	8,159,400
Dedicated	6.60	549,700	943,600	132,400	0	0	1,625,700
Other	0.00	0	19,100	0	0	0	19,100
Total	66.65	5,510,100	3,908,800	385,300	0	0	9,804,200

Executive Budget Detail

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
Line Items							
12.01	GenTax Maintenance Model: The Governor recommends ongoing General Fund and dedicated fund spending authority to provide additional programming assistance for GenTax. Prior to the installation of GenTax 9, the Idaho State Tax Commission had an informal agreement with FAST Enterprises allowing the Tax Commission to receive programming assistance at a steeply discounted rate. The Tax Commission no longer benefits from that agreement and has insufficient funds in its base budget to maintain GenTax 9. This recommendation provides ongoing funding for two contractors from FAST, who will provide programming assistance and database analysis, with additional systems analysis support from FAST as needed. Because only FAST employees can work on core GenTax code, this is necessary to maintain system performance and install sync packs, which fix technical issues and minimize security risks.						
General	0.00	0	467,500	0	0	0	467,500
Dedicated	0.00	0	82,500	0	0	0	82,500
Total	0.00	0	550,000	0	0	0	550,000
12.02	Tax Appeals Specialists: The Governor recommends 2.0 FTP and ongoing General Fund Personnel Costs for two tax appeals specialists. The Tax Commission currently has a backlog of over 400 appeals cases and the average time to resolve appeals is more than one year. These positions will improve customer service and reduce the wait time for decisions on both income tax and sales tax appeals. Operating expenses include training, travel, and subscriptions required for research. The Governor recommends funding these positions at 80% of policy.						
General	2.00	164,500	13,000	0	0	0	177,500
Total	2.00	164,500	13,000	0	0	0	177,500
12.03	Tax Appeals Position Shift: The Governor recommends shifting one existing tax appeals specialist position from the General Fund to the Multistate Tax Compact Fund, as this position works primarily on multi-state appeals.						
General	(1.00)	(94,100)	0	0	0	0	(94,100)
Dedicated	1.00	94,100	0	0	0	0	94,100
Total	0.00	0	0	0	0	0	0
12.04	Tax Paralegal Position Shift: The Governor recommends a reduction in ongoing General Fund and dedicated fund spending authority to offset a Personnel Cost increase for a paralegal position that is recommended in the Attorney General's budget. The Personnel Cost reduction will be achieved through the retirement of an administrative assistant, whose primary role has been to support the deputy attorneys general. Replacing this position with a paralegal will more fully meet the needs of the Tax Commission. The Governor does not recommend a reduction in Personnel Costs unless the paralegal position is appropriated.						
General	0.00	(43,400)	0	0	0	0	(43,400)
Dedicated	0.00	(7,700)	0	0	0	0	(7,700)
Total	0.00	(51,100)	0	0	0	0	(51,100)
12.05	Change in Compensation for Commissioners: The Governor recommends a 3% salary increase for commissioners. This increases the annual salary to \$93,389.						
General	0.00	10,500	0	0	0	0	10,500
Dedicated	0.00	1,500	0	0	0	0	1,500
Total	0.00	12,000	0	0	0	0	12,000

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/ Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
FY 2017 Gov's Recommendation							
General	61.05	4,997,900	3,426,600	252,900	0	0	8,677,400
Dedicated	7.60	637,600	1,026,100	132,400	0	0	1,796,100
Other	0.00	0	19,100	0	0	0	19,100
Total	68.65	5,635,500	4,471,800	385,300	0	0	10,492,600

Executive Budget Detail

FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Lump Sum	Total Gov Rec
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Description: The Audit Division conducts audits on all tax types administered by the agency, performs discovery and enforcement efforts directed at non-filers, and mitigates identity theft and fraud issues. It operates from the administrative headquarters office in Boise and five field office locations (Lewiston, Coeur d'Alene, Twin Falls, Idaho Falls, and Pocatello).

FY 2016 Original Appropriation

3.00 FY 2016 Original Appropriation: SB 1165

General	98.05	6,708,600	1,055,800	0	0	0	7,764,400
Dedicated	43.30	3,040,100	872,400	0	0	0	3,912,500
Federal	0.00	0	8,000	0	0	0	8,000
Total	141.35	9,748,700	1,936,200	0	0	0	11,684,900

FY 2016 Total Appropriation

General	98.05	6,708,600	1,055,800	0	0	0	7,764,400
Dedicated	43.30	3,040,100	872,400	0	0	0	3,912,500
Federal	0.00	0	8,000	0	0	0	8,000
Total	141.35	9,748,700	1,936,200	0	0	0	11,684,900

FY 2016 Estimated Expenditures

General	98.05	6,708,600	1,055,800	0	0	0	7,764,400
Dedicated	43.30	3,040,100	872,400	0	0	0	3,912,500
Federal	0.00	0	8,000	0	0	0	8,000
Total	141.35	9,748,700	1,936,200	0	0	0	11,684,900

Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2016.

General	0.00	0	(106,200)	0	0	0	(106,200)
Dedicated	0.00	0	(18,800)	0	0	0	(18,800)
Total	0.00	0	(125,000)	0	0	0	(125,000)

FY 2017 Base

General	98.05	6,708,600	949,600	0	0	0	7,658,200
Dedicated	43.30	3,040,100	853,600	0	0	0	3,893,700
Federal	0.00	0	8,000	0	0	0	8,000
Total	141.35	9,748,700	1,811,200	0	0	0	11,559,900

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
Program Maintenance							
10.11	Change in Health Benefit Costs: This decision unit reflects the scheduled changes in the employer health benefit cost based upon the December projection by Milliman, which showed an increase from the June estimate. In addition, the Governor recommends discontinuing thriveidaho and adjusting the employer-employee cost-sharing split to reduce the financial impact to state employees.						
General	0.00	100,400	0	0	0	0	100,400
Dedicated	0.00	43,900	0	0	0	0	43,900
Total	0.00	144,300	0	0	0	0	144,300
10.12	Change in Variable Benefit Costs: This decision unit reflects the scheduled changes in the employer variable benefits cost.						
General	0.00	(500)	0	0	0	0	(500)
Dedicated	0.00	(200)	0	0	0	0	(200)
Total	0.00	(700)	0	0	0	0	(700)
10.61	Salary Multiplier - Regular Employees: The Governor recommends a 3% increase in employee compensation, to be distributed on a merit basis.						
General	0.00	163,800	0	0	0	0	163,800
Dedicated	0.00	72,900	0	0	0	0	72,900
Total	0.00	236,700	0	0	0	0	236,700
10.62	Salary Multiplier - Group and Temporary: The Governor does not recommend a compensation increase for group and temporary positions.						
General	0.00	0	0	0	0	0	0
Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0
10.64	27th Payroll: This decision unit reflects one-time costs associated with the 27th pay period that falls in FY 2017. Biweekly pay periods cover 364 days per year and the remaining day per year results in an additional pay period every 11 years.						
General	0.00	214,700	0	0	0	0	214,700
Dedicated	0.00	94,900	0	0	0	0	94,900
Total	0.00	309,600	0	0	0	0	309,600
10.65	27th Payroll - CEC Costs: The Governor recommends one-time CEC costs associated with the 27th payroll.						
General	0.00	6,300	0	0	0	0	6,300
Dedicated	0.00	3,000	0	0	0	0	3,000
Total	0.00	9,300	0	0	0	0	9,300
FY 2017 Total Maintenance							
General	98.05	7,193,300	949,600	0	0	0	8,142,900
Dedicated	43.30	3,254,600	853,600	0	0	0	4,108,200
Federal	0.00	0	8,000	0	0	0	8,000
Total	141.35	10,447,900	1,811,200	0	0	0	12,259,100

Executive Budget Detail

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/ Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
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Line Items

12.01 Identity Theft and Fraud Reduction: The Governor recommends 1.0 FTP and ongoing General Fund Personnel Costs for a tax auditor 1 position to review suspicious returns and assist victims of tax identity theft with restoring their identities and filing legitimate returns. This position is recommended at 80% of policy. Tax fraud in Idaho continues to increase each year, with over \$1.7 million in fraudulent tax returns stopped in 2015. Identity theft has also become an increasingly common scheme to obtain improper tax refunds, with over 500 cases in 2015, a 150% increase over 2014.

The Governor also recommends \$250,000 ongoing General Fund Operating Expenditures, split between the Audit and Revenue Operations Divisions, to maintain the Advanced Fraud Services module in GenTax 9. This module uses data from the IRS, third parties, and other states to improve suspicious return flagging and provides tools for taxpayers to verify their identities. The costs to install this module were appropriated last year on a one-time basis, but the agency has no ongoing fund source for the maintenance agreement with FAST Enterprises. This decision unit corresponds with DU 12.01 in Revenue Operations.

General	1.00	61,900	125,000	0	0	0	186,900
Total	1.00	61,900	125,000	0	0	0	186,900

12.02 Change in Compensation for Commissioners: The Governor recommends a 3% salary increase for commissioners. This increases the annual salary to \$93,389.

Dedicated	0.00	1,100	0	0	0	0	1,100
Total	0.00	1,100	0	0	0	0	1,100

FY 2017 Gov's Recommendation

General	99.05	7,255,200	1,074,600	0	0	0	8,329,800
Dedicated	43.30	3,255,700	853,600	0	0	0	4,109,300
Federal	0.00	0	8,000	0	0	0	8,000
Total	142.35	10,510,900	1,936,200	0	0	0	12,447,100

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
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Description: The Collection Division collects delinquent taxes for all tax types and provides front-line taxpayer services at office locations and over the phone. It operates from the administrative headquarters office in Boise and five field office locations (Lewiston, Coeur d'Alene, Twin Falls, Idaho Falls, and Pocatello).

FY 2016 Original Appropriation

3.00 FY 2016 Original Appropriation: SB 1165

General	118.00	6,487,900	989,900	0	0	0	7,477,800
Dedicated	3.00	183,100	22,600	0	0	0	205,700
Total	121.00	6,671,000	1,012,500	0	0	0	7,683,500

FY 2016 Total Appropriation

General	118.00	6,487,900	989,900	0	0	0	7,477,800
Dedicated	3.00	183,100	22,600	0	0	0	205,700
Total	121.00	6,671,000	1,012,500	0	0	0	7,683,500

FY 2016 Estimated Expenditures

General	118.00	6,487,900	989,900	0	0	0	7,477,800
Dedicated	3.00	183,100	22,600	0	0	0	205,700
Total	121.00	6,671,000	1,012,500	0	0	0	7,683,500

FY 2017 Base

General	118.00	6,487,900	989,900	0	0	0	7,477,800
Dedicated	3.00	183,100	22,600	0	0	0	205,700
Total	121.00	6,671,000	1,012,500	0	0	0	7,683,500

Program Maintenance

10.11 Change in Health Benefit Costs: This decision unit reflects the scheduled changes in the employer health benefit cost based upon the December projection by Milliman, which showed an increase from the June estimate. In addition, the Governor recommends discontinuing thriveidaho and adjusting the employer-employee cost-sharing split to reduce the financial impact to state employees.

General	0.00	116,800	0	0	0	0	116,800
Dedicated	0.00	3,000	0	0	0	0	3,000
Total	0.00	119,800	0	0	0	0	119,800

10.12 Change in Variable Benefit Costs: This decision unit reflects the scheduled changes in the employer variable benefits cost.

General	0.00	(400)	0	0	0	0	(400)
Total	0.00	(400)	0	0	0	0	(400)

Executive Budget Detail

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
10.61 Salary Multiplier - Regular Employees: The Governor recommends a 3% increase in employee compensation, to be distributed on a merit basis.							
General	0.00	152,700	0	0	0	0	152,700
Dedicated	0.00	4,500	0	0	0	0	4,500
Total	0.00	157,200	0	0	0	0	157,200

10.62 Salary Multiplier - Group and Temporary: The Governor does not recommend a compensation increase for group and temporary positions.							
General	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0

10.64 27th Payroll: This decision unit reflects one-time costs associated with the 27th pay period that falls in FY 2017. Biweekly pay periods cover 364 days per year and the remaining day per year results in an additional pay period every 11 years.							
General	0.00	205,700	0	0	0	0	205,700
Dedicated	0.00	6,700	0	0	0	0	6,700
Total	0.00	212,400	0	0	0	0	212,400

10.65 27th Payroll - CEC Costs: The Governor recommends one-time CEC costs associated with the 27th payroll.							
General	0.00	5,700	0	0	0	0	5,700
Total	0.00	5,700	0	0	0	0	5,700

FY 2017 Total Maintenance

General	118.00	6,968,400	989,900	0	0	0	7,958,300
Dedicated	3.00	197,300	22,600	0	0	0	219,900
Total	121.00	7,165,700	1,012,500	0	0	0	8,178,200

FY 2017 Gov's Recommendation

General	118.00	6,968,400	989,900	0	0	0	7,958,300
Dedicated	3.00	197,300	22,600	0	0	0	219,900
Total	121.00	7,165,700	1,012,500	0	0	0	8,178,200

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
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Description: This division maintains the taxpayer database, processes all returns and payments, initiates the deposit of money received, and issues taxpayer refunds. The division registers permit holders for 18 tax types including sales, withholding, hotel/motel, motor fuels, beer, wine, cigarette and tobacco taxes, oil and gas, and emergency telephone-E911 prepaid communications services; ensures that all individuals and licensed businesses have access to proper tax forms for reporting; processes revenue and refund documents submitted by taxpayers; and maintains an imaging system used to streamline the processing and storing of tax documents.

FY 2016 Original Appropriation

3.00 FY 2016 Original Appropriation: SB 1165

General	68.15	3,804,900	1,615,500	353,600	0	0	5,774,000
Dedicated	11.85	683,500	310,200	64,700	0	0	1,058,400
Other	0.00	0	26,400	0	0	0	26,400
Total	80.00	4,488,400	1,952,100	418,300	0	0	6,858,800

FY 2016 Total Appropriation

General	68.15	3,804,900	1,615,500	353,600	0	0	5,774,000
Dedicated	11.85	683,500	310,200	64,700	0	0	1,058,400
Other	0.00	0	26,400	0	0	0	26,400
Total	80.00	4,488,400	1,952,100	418,300	0	0	6,858,800

FY 2016 Estimated Expenditures

General	68.15	3,804,900	1,615,500	353,600	0	0	5,774,000
Dedicated	11.85	683,500	310,200	64,700	0	0	1,058,400
Other	0.00	0	26,400	0	0	0	26,400
Total	80.00	4,488,400	1,952,100	418,300	0	0	6,858,800

Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2016.

General	0.00	0	(106,200)	(353,600)	0	0	(459,800)
Dedicated	0.00	0	(18,800)	(62,400)	0	0	(81,200)
Total	0.00	0	(125,000)	(416,000)	0	0	(541,000)

FY 2017 Base

General	68.15	3,804,900	1,509,300	0	0	0	5,314,200
Dedicated	11.85	683,500	291,400	2,300	0	0	977,200
Other	0.00	0	26,400	0	0	0	26,400
Total	80.00	4,488,400	1,827,100	2,300	0	0	6,317,800

Executive Budget Detail

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
Program Maintenance							
10.11	Change in Health Benefit Costs: This decision unit reflects the scheduled changes in the employer health benefit cost based upon the December projection by Milliman, which showed an increase from the June estimate. In addition, the Governor recommends discontinuing thriveidaho and adjusting the employer-employee cost-sharing split to reduce the financial impact to state employees.						
General	0.00	66,400	0	0	0	0	66,400
Dedicated	0.00	11,500	0	0	0	0	11,500
Total	0.00	77,900	0	0	0	0	77,900
10.12	Change in Variable Benefit Costs: This decision unit reflects the scheduled changes in the employer variable benefits cost.						
General	0.00	(200)	0	0	0	0	(200)
Total	0.00	(200)	0	0	0	0	(200)
10.31	Repair, Replacement Items/Alterations: The Governor recommends replacing eFlow software for electronic W-2 processing (\$50,000).						
General	0.00	0	45,000	0	0	0	45,000
Dedicated	0.00	0	5,000	0	0	0	5,000
Total	0.00	0	50,000	0	0	0	50,000
10.61	Salary Multiplier - Regular Employees: The Governor recommends a 3% increase in employee compensation, to be distributed on a merit basis.						
General	0.00	78,300	0	0	0	0	78,300
Dedicated	0.00	14,400	0	0	0	0	14,400
Total	0.00	92,700	0	0	0	0	92,700
10.62	Salary Multiplier - Group and Temporary: The Governor does not recommend a compensation increase for group and temporary positions.						
General	0.00	0	0	0	0	0	0
Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0
10.64	27th Payroll: This decision unit reflects one-time costs associated with the 27th pay period that falls in FY 2017. Biweekly pay periods cover 364 days per year and the remaining day per year results in an additional pay period every 11 years.						
General	0.00	109,400	0	0	0	0	109,400
Dedicated	0.00	18,800	0	0	0	0	18,800
Total	0.00	128,200	0	0	0	0	128,200
10.65	27th Payroll - CEC Costs: The Governor recommends one-time CEC costs associated with the 27th payroll.						
General	0.00	3,000	0	0	0	0	3,000
Dedicated	0.00	600	0	0	0	0	600
Total	0.00	3,600	0	0	0	0	3,600

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
FY 2017 Total Maintenance							
General	68.15	4,061,800	1,554,300	0	0	0	5,616,100
Dedicated	11.85	728,800	296,400	2,300	0	0	1,027,500
Other	0.00	0	26,400	0	0	0	26,400
Total	80.00	4,790,600	1,877,100	2,300	0	0	6,670,000

Line Items

12.01 Identity Theft and Fraud Reduction: The Governor recommends 1.0 FTP and ongoing General Fund Personnel Costs for a technical records specialist 2 position to review suspicious returns and assist victims of tax identity theft with restoring their identities and filing legitimate returns. Tax fraud in Idaho continues to increase each year, with over \$1.7 million in fraudulent tax returns stopped in 2015. Identity theft has also become an increasingly common scheme to obtain improper tax refunds, with over 500 cases in 2015, a 150% increase over 2014.

The Governor also recommends \$250,000 ongoing General Fund Operating Expenditures, split between the Audit and Revenue Operations Divisions, to maintain the Advanced Fraud Services module in GenTax 9. This module uses data from the IRS, third parties, and other states to improve suspicious return flagging and provides tools for taxpayers to verify their identities. The costs to install this module were appropriated last year on a one-time basis, but the agency has no ongoing fund source for the maintenance agreement with FAST Enterprises. This decision unit corresponds with DU 12.01 in Audit.

General	1.00	51,600	125,000	0	0	0	176,600
Total	1.00	51,600	125,000	0	0	0	176,600

FY 2017 Gov's Recommendation

General	69.15	4,113,400	1,679,300	0	0	0	5,792,700
Dedicated	11.85	728,800	296,400	2,300	0	0	1,027,500
Other	0.00	0	26,400	0	0	0	26,400
Total	81.00	4,842,200	2,002,100	2,300	0	0	6,846,600

Executive Budget Detail

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/ Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
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Description: The Property Tax Division provides oversight in property tax system administration. The division is responsible for annually appraising all class-three operating property, examining property tax levies of all taxing districts, training and assisting county elected officials, developing an assessor's manual to facilitate uniformity of appraisals, and administering the circuit breaker program.

FY 2016 Original Appropriation

3.00 FY 2016 Original Appropriation: SB 1165

General	38.00	2,932,900	423,100	0	0	0	3,356,000
Other	0.00	0	131,000	8,800	0	0	139,800
Total	38.00	2,932,900	554,100	8,800	0	0	3,495,800

FY 2016 Total Appropriation

General	38.00	2,932,900	423,100	0	0	0	3,356,000
Other	0.00	0	131,000	8,800	0	0	139,800
Total	38.00	2,932,900	554,100	8,800	0	0	3,495,800

FY 2016 Estimated Expenditures

General	38.00	2,932,900	423,100	0	0	0	3,356,000
Other	0.00	0	131,000	8,800	0	0	139,800
Total	38.00	2,932,900	554,100	8,800	0	0	3,495,800

Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2016.

Other	0.00	0	0	(8,800)	0	0	(8,800)
Total	0.00	0	0	(8,800)	0	0	(8,800)

FY 2017 Base

General	38.00	2,932,900	423,100	0	0	0	3,356,000
Other	0.00	0	131,000	0	0	0	131,000
Total	38.00	2,932,900	554,100	0	0	0	3,487,000

Program Maintenance

10.11 Change in Health Benefit Costs: This decision unit reflects the scheduled changes in the employer health benefit cost based upon the December projection by Milliman, which showed an increase from the June estimate. In addition, the Governor recommends discontinuing thriveidaho and adjusting the employer-employee cost-sharing split to reduce the financial impact to state employees.

General	0.00	37,600	0	0	0	0	37,600
Total	0.00	37,600	0	0	0	0	37,600

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/Benefit	Lump Sum	Total Gov Rec
10.12 Change in Variable Benefit Costs: This decision unit reflects the scheduled changes in the employer variable benefits cost.							
General	0.00	(200)	0	0	0	0	(200)
Total	0.00	(200)	0	0	0	0	(200)
10.31 Repair, Replacement Items/Alterations: The Governor recommends replacing eight laptop computers (\$8,800) for property tax training.							
Other	0.00	0	0	8,800	0	0	8,800
Total	0.00	0	0	8,800	0	0	8,800
10.61 Salary Multiplier - Regular Employees: The Governor recommends a 3% increase in employee compensation, to be distributed on a merit basis.							
General	0.00	75,000	0	0	0	0	75,000
Total	0.00	75,000	0	0	0	0	75,000
10.62 Salary Multiplier - Group and Temporary: The Governor does not recommend a compensation increase for group and temporary positions.							
General	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0
10.64 27th Payroll: This decision unit reflects one-time costs associated with the 27th pay period that falls in FY 2017. Biweekly pay periods cover 364 days per year and the remaining day per year results in an additional pay period every 11 years.							
General	0.00	101,000	0	0	0	0	101,000
Total	0.00	101,000	0	0	0	0	101,000
10.65 27th Payroll - CEC Costs: The Governor recommends one-time CEC costs associated with the 27th payroll.							
General	0.00	3,000	0	0	0	0	3,000
Total	0.00	3,000	0	0	0	0	3,000

FY 2017 Total Maintenance

General	38.00	3,149,300	423,100	0	0	0	3,572,400
Other	0.00	0	131,000	8,800	0	0	139,800
Total	38.00	3,149,300	554,100	8,800	0	0	3,712,200

FY 2017 Gov's Recommendation

General	38.00	3,149,300	423,100	0	0	0	3,572,400
Other	0.00	0	131,000	8,800	0	0	139,800
Total	38.00	3,149,300	554,100	8,800	0	0	3,712,200