

## Agency Expenditure Summary

|                          | <u>FY 2018</u> |                | <u>FY 2019</u> |                 | <u>FY 2020</u> |                |
|--------------------------|----------------|----------------|----------------|-----------------|----------------|----------------|
|                          | <u>Approp</u>  | <u>Actual</u>  | <u>Approp</u>  | <u>Estimate</u> | <u>Request</u> | <u>Gov Rec</u> |
| <b>By Function</b>       |                |                |                |                 |                |                |
| Tax Appeals              | 606,700        | 577,300        | 608,600        | 618,500         | 630,200        | 639,900        |
| <b>Total</b>             | <b>606,700</b> | <b>577,300</b> | <b>608,600</b> | <b>618,500</b>  | <b>630,200</b> | <b>639,900</b> |
| <b>By Fund Source</b>    |                |                |                |                 |                |                |
| General                  | 606,700        | 577,300        | 608,600        | 618,500         | 630,200        | 637,400        |
| Dedicated                | 0              | 0              | 0              | 0               | 0              | 2,500          |
| <b>Total</b>             | <b>606,700</b> | <b>577,300</b> | <b>608,600</b> | <b>618,500</b>  | <b>630,200</b> | <b>639,900</b> |
| <b>By Object</b>         |                |                |                |                 |                |                |
| Personnel Costs          | 517,100        | 460,300        | 522,400        | 522,400         | 528,700        | 532,800        |
| Operating Expenditures   | 86,700         | 105,500        | 81,900         | 91,800          | 97,900         | 103,500        |
| Capital Outlay           | 2,900          | 11,500         | 4,300          | 4,300           | 3,600          | 3,600          |
| Trustee/Benefit Payments | 0              | 0              | 0              | 0               | 0              | 0              |
| Lump Sum                 | 0              | 0              | 0              | 0               | 0              | 0              |
| <b>Total</b>             | <b>606,700</b> | <b>577,300</b> | <b>608,600</b> | <b>618,500</b>  | <b>630,200</b> | <b>639,900</b> |
| <b>FTP Positions</b>     | <b>5.00</b>    | <b>5.00</b>    | <b>5.00</b>    | <b>5.00</b>     | <b>5.00</b>    | <b>5.00</b>    |

|  | <u>FTP</u> | <u>Personnel<br/>Cost</u> | <u>Operating<br/>Expense</u> | <u>Capital<br/>Outlay</u> | <u>Trustee/<br/>Benefit</u> | <u>Lump<br/>Sum</u> | <u>Total Gov<br/>Rec</u> |
|--|------------|---------------------------|------------------------------|---------------------------|-----------------------------|---------------------|--------------------------|
|--|------------|---------------------------|------------------------------|---------------------------|-----------------------------|---------------------|--------------------------|

**Description:** Established in 1969, the Board of Tax Appeals (BTA) provides taxpayers with the popular means of bringing appealed assessments before a fully independent and judicial-like tribunal. Each year hundreds of appeals are brought to the Board from either property tax assessment decisions made by a county board of equalization or various tax-related decisions made by the Idaho State Tax Commission. The Board provides parties with an accessible and fair hearing (de novo) to present their evidence and argument. Hearings are held in convenient locations across the state. The appointed three-member citizen board ensures due process safeguards are followed in "contested case" proceedings.

**FY 2019 Original Appropriation**

3.00 FY 2019 Original Appropriation: HB 652

|              |             |                |               |              |          |          |                |
|--------------|-------------|----------------|---------------|--------------|----------|----------|----------------|
| General      | 5.00        | 522,400        | 81,900        | 4,300        | 0        | 0        | 608,600        |
| <b>Total</b> | <b>5.00</b> | <b>522,400</b> | <b>81,900</b> | <b>4,300</b> | <b>0</b> | <b>0</b> | <b>608,600</b> |

**Expenditure Adjustments**

4.31 Office Lease Cost Increase: The Governor recommends General Fund for lease costs related to the agency's office relocation in July 2018.

|              |             |          |              |          |          |          |              |
|--------------|-------------|----------|--------------|----------|----------|----------|--------------|
| General      | 0.00        | 0        | 9,900        | 0        | 0        | 0        | 9,900        |
| <b>Total</b> | <b>0.00</b> | <b>0</b> | <b>9,900</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>9,900</b> |

**FY 2019 Total Appropriation**

|              |             |                |               |              |          |          |                |
|--------------|-------------|----------------|---------------|--------------|----------|----------|----------------|
| General      | 5.00        | 522,400        | 91,800        | 4,300        | 0        | 0        | 618,500        |
| <b>Total</b> | <b>5.00</b> | <b>522,400</b> | <b>91,800</b> | <b>4,300</b> | <b>0</b> | <b>0</b> | <b>618,500</b> |

**FY 2019 Estimated Expenditures**

|              |             |                |               |              |          |          |                |
|--------------|-------------|----------------|---------------|--------------|----------|----------|----------------|
| General      | 5.00        | 522,400        | 91,800        | 4,300        | 0        | 0        | 618,500        |
| <b>Total</b> | <b>5.00</b> | <b>522,400</b> | <b>91,800</b> | <b>4,300</b> | <b>0</b> | <b>0</b> | <b>618,500</b> |

**Base Adjustments**

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2019.

|              |             |          |          |                |          |          |                |
|--------------|-------------|----------|----------|----------------|----------|----------|----------------|
| General      | 0.00        | 0        | 0        | (4,300)        | 0        | 0        | (4,300)        |
| <b>Total</b> | <b>0.00</b> | <b>0</b> | <b>0</b> | <b>(4,300)</b> | <b>0</b> | <b>0</b> | <b>(4,300)</b> |

**FY 2020 Base**

|              |             |                |               |          |          |          |                |
|--------------|-------------|----------------|---------------|----------|----------|----------|----------------|
| General      | 5.00        | 522,400        | 91,800        | 0        | 0        | 0        | 614,200        |
| <b>Total</b> | <b>5.00</b> | <b>522,400</b> | <b>91,800</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>614,200</b> |

## Tax Appeals, State Board of Tax Appeals

## Executive Budget Detail

|   | <u>FTP</u>  | <u>Personnel<br/>Cost</u> | <u>Operating<br/>Expense</u> | <u>Capital<br/>Outlay</u> | <u>Trustee/<br/>Benefit</u> | <u>Lump<br/>Sum</u> | <u>Total Gov<br/>Rec</u> |
|---|-------------|---------------------------|------------------------------|---------------------------|-----------------------------|---------------------|--------------------------|
| <b>Program Maintenance</b>  |             |                           |                              |                           |                             |                     |                          |
| 10.11 Change in Health Benefit Costs: This decision unit reflects a one-time reduction in the employer health benefit cost based on the November Milliman projection. This reduction results from a significant buildup in medical reserve funding due to the state experiencing fewer claims than expected and also the 2019 moratorium on the Health Insurer Fee. To address this overfunding of reserves, the Governor proposes using reserve funds for a portion of the employer share of health costs. |             |                           |                              |                           |                             |                     |                          |
| General   | 0.00        | (3,200)                   | 0                            | 0                         | 0                           | 0                   | (3,200)                  |
| <b>Total</b>  | <b>0.00</b> | <b>(3,200)</b>            | <b>0</b>                     | <b>0</b>                  | <b>0</b>                    | <b>0</b>            | <b>(3,200)</b>           |
| 10.12 Change in Variable Benefit Costs: This decision unit reflects a six-month holiday for the fee agencies pay to the Division of Human Resources. Due to past vacancies within the division, a cash balance has accrued. To avoid paying a penalty to the federal government, the Governor proposes a six-month fee holiday to decrease the cash balance.  |             |                           |                              |                           |                             |                     |                          |
| General   | 0.00        | 1,300                     | 0                            | 0                         | 0                           | 0                   | 1,300                    |
| <b>Total</b>  | <b>0.00</b> | <b>1,300</b>              | <b>0</b>                     | <b>0</b>                  | <b>0</b>                    | <b>0</b>            | <b>1,300</b>             |
| 10.23 Contract Inflation: The Governor recommends General Fund for an increase in office lease costs and information technology services.   |             |                           |                              |                           |                             |                     |                          |
| General   | 0.00        | 0                         | 1,400                        | 0                         | 0                           | 0                   | 1,400                    |
| <b>Total</b>  | <b>0.00</b> | <b>0</b>                  | <b>1,400</b>                 | <b>0</b>                  | <b>0</b>                    | <b>0</b>            | <b>1,400</b>             |
| 10.31 Repair, Replacement Items/Alterations: The Governor recommends \$3,600 in one-time General Fund for repair and replacement items.   |             |                           |                              |                           |                             |                     |                          |
| General   | 0.00        | 0                         | 0                            | 3,600                     | 0                           | 0                   | 3,600                    |
| <b>Total</b>  | <b>0.00</b> | <b>0</b>                  | <b>0</b>                     | <b>3,600</b>              | <b>0</b>                    | <b>0</b>            | <b>3,600</b>             |
| 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. The state is experiencing an increase in claims, which has resulted in the need for a substantial increase in reserves to cover potential costs.  |             |                           |                              |                           |                             |                     |                          |
| General   | 0.00        | 0                         | 100                          | 0                         | 0                           | 0                   | 100                      |
| <b>Total</b>  | <b>0.00</b> | <b>0</b>                  | <b>100</b>                   | <b>0</b>                  | <b>0</b>                    | <b>0</b>            | <b>100</b>               |
| 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                         | 200                          | 0                         | 0                           | 0                   | 200                      |
| <b>Total</b>  | <b>0.00</b> | <b>0</b>                  | <b>200</b>                   | <b>0</b>                  | <b>0</b>                    | <b>0</b>            | <b>200</b>               |
| 10.51 Annualizations: This decision unit annualizes the supplemental lease costs recommended in DU 4.31.  |             |                           |                              |                           |                             |                     |                          |
| General   | 0.00        | 0                         | 3,300                        | 0                         | 0                           | 0                   | 3,300                    |
| <b>Total</b>  | <b>0.00</b> | <b>0</b>                  | <b>3,300</b>                 | <b>0</b>                  | <b>0</b>                    | <b>0</b>            | <b>3,300</b>             |
| 10.61 Salary Multiplier - Regular Employees: The Governor recommends a 3% Change in Employee Compensation to be distributed by merit.   |             |                           |                              |                           |                             |                     |                          |
| General   | 0.00        | 12,300                    | 0                            | 0                         | 0                           | 0                   | 12,300                   |
| <b>Total</b>  | <b>0.00</b> | <b>12,300</b>             | <b>0</b>                     | <b>0</b>                  | <b>0</b>                    | <b>0</b>            | <b>12,300</b>            |
| 10.62 Salary Multiplier - Group and Temporary: The Governor does not recommend a Change in Employee Compensation for group and temporary employees.   |             |                           |                              |                           |                             |                     |                          |
| General   | 0.00        | 0                         | 0                            | 0                         | 0                           | 0                   | 0                        |
| <b>Total</b>  | <b>0.00</b> | <b>0</b>                  | <b>0</b>                     | <b>0</b>                  | <b>0</b>                    | <b>0</b>            | <b>0</b>                 |

|                                  | <u>FTP</u>  | <u>Personnel<br/>Cost</u> | <u>Operating<br/>Expense</u> | <u>Capital<br/>Outlay</u> | <u>Trustee/<br/>Benefit</u> | <u>Lump<br/>Sum</u> | <u>Total Gov<br/>Rec</u> |
|----------------------------------|-------------|---------------------------|------------------------------|---------------------------|-----------------------------|---------------------|--------------------------|
| <b>FY 2020 Total Maintenance</b> |             |                           |                              |                           |                             |                     |                          |
| General                          | 5.00        | 532,800                   | 96,800                       | 3,600                     | 0                           | 0                   | 633,200                  |
| <b>Total</b>                     | <b>5.00</b> | <b>532,800</b>            | <b>96,800</b>                | <b>3,600</b>              | <b>0</b>                    | <b>0</b>            | <b>633,200</b>           |

**Line Items**

12.01 Microsoft Office 365 Licenses: The Governor recommends General Fund for Microsoft Office 365 licensing costs, as recommended by the Office of Information Technology Services.

|              |             |          |              |          |          |          |              |
|--------------|-------------|----------|--------------|----------|----------|----------|--------------|
| General      | 0.00        | 0        | 1,100        | 0        | 0        | 0        | 1,100        |
| <b>Total</b> | <b>0.00</b> | <b>0</b> | <b>1,100</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>1,100</b> |

12.61 State Network Core Equipment Replacement: The Governor recommends replacement of the state's core network equipment. The Idaho State Network supports all state agencies, and the current core network equipment is reaching the end of its production life cycle. To ensure reliable network operations and avoid significant service interruptions, replacement is necessary. This decision unit represents the agency share of the one-time replacement costs.

|              |             |          |            |          |          |          |            |
|--------------|-------------|----------|------------|----------|----------|----------|------------|
| Dedicated    | 0.00        | 0        | 500        | 0        | 0        | 0        | 500        |
| <b>Total</b> | <b>0.00</b> | <b>0</b> | <b>500</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>500</b> |

12.62 Mobile Device Management and Security: The Governor recommends software to provide end-point security capability including mobile technology. The state workforce has become more mobile and works outside the state network more frequently. The software will provide security of state information on all devices. This recommendation includes \$26,500 for a third-party vendor to assist in one-time implementation and training. This decision unit represents the agency share of these one-time costs.

|              |             |          |              |          |          |          |              |
|--------------|-------------|----------|--------------|----------|----------|----------|--------------|
| Dedicated    | 0.00        | 0        | 2,000        | 0        | 0        | 0        | 2,000        |
| <b>Total</b> | <b>0.00</b> | <b>0</b> | <b>2,000</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>2,000</b> |

12.63 Information Technology Modernization Initiative: The Governor recommends funding for information technology support from the Office of Information Technology Services. In separating the office from the Department of Administration, it was discovered that the department had been heavily subsidizing small agency support. To fairly bill the Department of Administration, its annual billing will be reduced by \$353,300 and those costs will be correctly paid by other supported agencies.

|              |             |          |              |          |          |          |              |
|--------------|-------------|----------|--------------|----------|----------|----------|--------------|
| General      | 0.00        | 0        | 3,100        | 0        | 0        | 0        | 3,100        |
| <b>Total</b> | <b>0.00</b> | <b>0</b> | <b>3,100</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>3,100</b> |

**FY 2020 Gov's Recommendation**

|              |             |                |                |              |          |          |                |
|--------------|-------------|----------------|----------------|--------------|----------|----------|----------------|
| General      | 5.00        | 532,800        | 101,000        | 3,600        | 0        | 0        | 637,400        |
| Dedicated    | 0.00        | 0              | 2,500          | 0            | 0        | 0        | 2,500          |
| <b>Total</b> | <b>5.00</b> | <b>532,800</b> | <b>103,500</b> | <b>3,600</b> | <b>0</b> | <b>0</b> | <b>639,900</b> |