

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>
By Function						
General Services	14,536,500	12,389,700	12,271,600	14,771,600	13,234,400	12,804,500
Audit	12,700,700	12,346,100	12,834,000	12,834,000	13,252,700	13,189,900
Collection	7,494,000	7,626,500	7,675,300	7,675,300	7,922,900	7,965,300
Revenue Operations	6,851,800	6,951,900	7,138,200	7,138,200	7,062,800	6,876,300
Property Tax	3,798,200	3,842,500	3,831,100	3,864,300	3,950,000	3,982,500
Total	45,381,200	43,156,700	43,750,200	46,283,400	45,422,800	44,818,500
By Fund Source						
General	37,798,300	35,821,300	36,154,600	38,667,800	37,462,600	36,924,500
Dedicated	7,389,600	7,145,800	7,400,800	7,400,800	7,745,400	7,679,200
Federal	8,000	8,000	8,000	8,000	8,000	8,000
Other	185,300	181,600	186,800	206,800	206,800	206,800
Total	45,381,200	43,156,700	43,750,200	46,283,400	45,422,800	44,818,500
By Object						
Personnel Costs	31,746,200	31,731,600	32,162,800	32,174,700	33,388,700	31,562,600
Operating Expenditures	12,492,700	10,739,200	11,452,800	13,187,700	11,747,500	13,032,400
Capital Outlay	1,142,300	685,900	134,600	921,000	286,600	223,500
Trustee/Benefit Payments	0	0	0	0	0	0
Lump Sum	0	0	0	0	0	0
Total	45,381,200	43,156,700	43,750,200	46,283,400	45,422,800	44,818,500
FTP Positions	455.00	455.00	459.00	459.25	473.00	448.00

Tax Commission, State
General Services

Executive Budget Detail

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

FY 2019 Original Appropriation

3.00 FY 2019 Original Appropriation: SB 1380

General	71.90	5,874,600	4,459,200	23,000	0	0	10,356,800
Dedicated	7.75	659,800	1,211,900	24,000	0	0	1,895,700
Other	0.00	0	19,100	0	0	0	19,100
Total	79.65	6,534,400	5,690,200	47,000	0	0	12,271,600

Expenditure Adjustments

4.11 Reappropriation: This decision unit reflects reappropriation authority granted by SB 1380.

General	0.00	0	1,500,000	500,000	0	0	2,000,000
Total	0.00	0	1,500,000	500,000	0	0	2,000,000

4.31 Additional Moving Costs: The Governor recommends one-time General Fund to supplement the \$2,000,000 appropriation made during the 2017 legislative session for the agency's relocation to the Idaho State Chinden Office Complex. Current cost estimates are higher than originally projected due to needed security measures, unexpected current location costs due to the overall moving delay, and the need to move some staff and equipment to a temporary location in December 2018. The recommendation has been reduced to reflect savings identified in the agency's estimate.

General	0.00	0	213,600	286,400	0	0	500,000
Total	0.00	0	213,600	286,400	0	0	500,000

4.32 Automated System Specialist Position: The Governor does not recommend General Fund and dedicated fund spending authority for a tax automated system specialist to provide system testing as the Tax Commission transitions its accounting system to Luma. The State Controller's Office will have a project team dedicated to the conversion and integration of current agency systems, and full-time staff support at the Tax Commission will not be required.

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

FY 2019 Total Appropriation

General	71.90	5,874,600	6,172,800	809,400	0	0	12,856,800
Dedicated	7.75	659,800	1,211,900	24,000	0	0	1,895,700
Other	0.00	0	19,100	0	0	0	19,100
Total	79.65	6,534,400	7,403,800	833,400	0	0	14,771,600

Tax Commission, State

General Services

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>
FY 2019 Estimated Expenditures							
General	71.90	5,874,600	6,172,800	809,400	0	0	12,856,800
Dedicated	7.75	659,800	1,211,900	24,000	0	0	1,895,700
Other	0.00	0	19,100	0	0	0	19,100
Total	79.65	6,534,400	7,403,800	833,400	0	0	14,771,600

Base Adjustments

8.31 Transfer Between Programs: This decision unit makes a program transfer of 1.0 FTP and General Fund from Revenue Operations for taxpayer outreach and communication.

General	1.00	58,400	0	0	0	0	58,400
Total	1.00	58,400	0	0	0	0	58,400

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

General	0.00	0	(1,756,100)	(809,400)	0	0	(2,565,500)
Dedicated	0.00	0	(7,500)	(14,000)	0	0	(21,500)
Total	0.00	0	(1,763,600)	(823,400)	0	0	(2,587,000)

FY 2020 Base

General	72.90	5,933,000	4,416,700	0	0	0	10,349,700
Dedicated	7.75	659,800	1,204,400	10,000	0	0	1,874,200
Other	0.00	0	19,100	0	0	0	19,100
Total	80.65	6,592,800	5,640,200	10,000	0	0	12,243,000

Program Maintenance

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	(43,200)	0	0	0	0	(43,200)
Dedicated	0.00	(4,600)	0	0	0	0	(4,600)
Total	0.00	(47,800)	0	0	0	0	(47,800)

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	18,200	0	0	0	0	18,200
Dedicated	0.00	2,000	0	0	0	0	2,000
Total	0.00	20,200	0	0	0	0	20,200

Executive Budget Detail

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Lump Sum	Total Gov Rec
10.31 Repair, Replacement Items/Alterations: The Governor recommends \$115,800 in one-time General Fund and \$85,100 in one-time dedicated fund spending authority for repair and replacement items.							
General	0.00	0	0	115,800	0	0	115,800
Dedicated	0.00	0	0	85,100	0	0	85,100
Total	0.00	0	0	200,900	0	0	200,900
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	77,000	0	0	0	77,000
Dedicated	0.00	0	30,800	0	0	0	30,800
Total	0.00	0	107,800	0	0	0	107,800
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	46,500	0	0	0	46,500
Dedicated	0.00	0	16,400	0	0	0	16,400
Total	0.00	0	62,900	0	0	0	62,900
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	40,000	0	0	0	40,000
Dedicated	0.00	0	16,700	0	0	0	16,700
Total	0.00	0	56,700	0	0	0	56,700
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	40,000	0	0	0	40,000
Dedicated	0.00	0	16,800	0	0	0	16,800
Total	0.00	0	56,800	0	0	0	56,800
10.51 Annualizations: The Governor does not recommend the annualization of the automated system specialist position in DU 4.32.							
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
10.61 Salary Multiplier - Regular Employees: The Governor recommends a 3% Change in Employee Compensation to be distributed by merit.							
General	0.00	139,200	0	0	0	0	139,200
Dedicated	0.00	15,300	0	0	0	0	15,300
Total	0.00	154,500	0	0	0	0	154,500
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
Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0

Tax Commission, State
General Services

Executive Budget Detail

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Lump Sum	Total Gov Rec
10.67 Compensation Schedule Changes: The Governor recommends the pay structure for state employees be moved by 2%. As this will result in employees being below the minimum of their pay grade, he recommends additional funding to adjust that pay to the minimum.							
General	0.00	5,400	0	0	0	0	5,400
Total	0.00	5,400	0	0	0	0	5,400

FY 2020 Total Maintenance

General	72.90	6,052,600	4,620,200	115,800	0	0	10,788,600
Dedicated	7.75	672,500	1,285,100	95,100	0	0	2,052,700
Other	0.00	0	19,100	0	0	0	19,100
Total	80.65	6,725,100	5,924,400	210,900	0	0	12,860,400

Line Items

12.01 Batch Monitoring Services: The Governor recommends General Fund and dedicated fund spending authority to support contracted batch monitoring services for the agency's GenTax software. Currently, information technology (IT) staff must be on site each night to ensure that technical errors in batch processes do not cause delays that create issues for daytime staff. Contracting for these services will allow the agency to redirect IT staff to more pressing issues, such as software quality testing and mapping system processes and dependencies, which will reduce the time demand of systems testing on staff when software updates are made. The Governor also recommends a reduction in General Fund Personnel Costs due to the elimination of a group IT position that will no longer be needed.							
General	0.00	(18,500)	85,000	0	0	0	66,500
Dedicated	0.00	0	15,000	0	0	0	15,000
Total	0.00	(18,500)	100,000	0	0	0	81,500

12.02 Taxpayer Services Positions: The Governor recommends 1.0 FTP, General Fund, and dedicated fund spending authority to convert a part-time technical records specialist 2 position to full time. The full-time position is needed to handle increased call volumes and reduce response times, improving customer service for taxpayers. The Governor does not recommend a training specialist position to provide customized training to small businesses.							
General	0.85	30,200	0	0	0	0	30,200
Dedicated	0.15	5,300	0	0	0	0	5,300
Total	1.00	35,500	0	0	0	0	35,500

12.03 Help Desk Position: The Governor does not recommend converting a part-time help desk position to full time. Help desk services will be provided by staff at the Office of Information Technology Services.							
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

12.04 Change in Compensation for Commissioners: The Governor recommends a 3% salary increase for commissioners. This increases the annual salary to \$102,049.							
General	0.00	11,500	0	0	0	0	11,500
Dedicated	0.00	1,600	0	0	0	0	1,600
Total	0.00	13,100	0	0	0	0	13,100

Executive Budget Detail

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Lump Sum	Total Gov Rec
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	42,000	0	0	0	42,000
Total	0.00	0	42,000	0	0	0	42,000

- 12.63 Information Technology Modernization Initiative: The Governor recommends consolidating, streamlining, and improving information technology operations across the state. This will allow agencies to become consumers, not providers, of information technology services, allowing them to focus more on core missions. Ultimately, modernization will enhance security, increase functionality, eliminate waste and duplication, and minimize risk to application support, while also driving down cost increases.

The first phase of the initiative includes adding the Department of Finance, Division of Building Safety, Public Utilities Commission, Tax Commission, Department of Insurance, Industrial Commission, Division of Vocational Rehabilitation, and Division of Veterans Services to the agencies currently supported by the Office of Information Technology Services.

This decision unit represents a reduction of information technology staff at the Tax Commission and Operating Expenditures for the anticipated cost of support from the Office of Information Technology Services.

General	(16.80)	(1,515,400)	1,290,400	0	0	0	(225,000)
Dedicated	(0.20)	(20,500)	17,500	0	0	0	(3,000)
Total	(17.00)	(1,535,900)	1,307,900	0	0	0	(228,000)

FY 2020 Gov's Recommendation

General	56.95	4,560,400	5,995,600	115,800	0	0	10,671,800
Dedicated	7.70	658,900	1,359,600	95,100	0	0	2,113,600
Other	0.00	0	19,100	0	0	0	19,100
Total	64.65	5,219,300	7,374,300	210,900	0	0	12,804,500

Tax Commission, State Audit

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 by the authority of Idaho Code and the Multistate Tax Compact, conducts 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 2019 Original Appropriation

3.00 FY 2019 Original Appropriation: SB 1380

General	104.05	7,603,900	1,074,600	0	0	0	8,678,500
Dedicated	43.30	3,293,900	853,600	0	0	0	4,147,500
Federal	0.00	0	8,000	0	0	0	8,000
Total	147.35	10,897,800	1,936,200	0	0	0	12,834,000

FY 2019 Total Appropriation

General	104.05	7,603,900	1,074,600	0	0	0	8,678,500
Dedicated	43.30	3,293,900	853,600	0	0	0	4,147,500
Federal	0.00	0	8,000	0	0	0	8,000
Total	147.35	10,897,800	1,936,200	0	0	0	12,834,000

FY 2019 Estimated Expenditures

General	104.05	7,603,900	1,074,600	0	0	0	8,678,500
Dedicated	43.30	3,293,900	853,600	0	0	0	4,147,500
Federal	0.00	0	8,000	0	0	0	8,000
Total	147.35	10,897,800	1,936,200	0	0	0	12,834,000

FY 2020 Base

General	104.05	7,603,900	1,074,600	0	0	0	8,678,500
Dedicated	43.30	3,293,900	853,600	0	0	0	4,147,500
Federal	0.00	0	8,000	0	0	0	8,000
Total	147.35	10,897,800	1,936,200	0	0	0	12,834,000

Program Maintenance

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	(65,000)	0	0	0	0	(65,000)
Dedicated	0.00	(26,800)	0	0	0	0	(26,800)
Total	0.00	(91,800)	0	0	0	0	(91,800)

Executive Budget Detail

	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 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	22,000	0	0	0	0	22,000
Dedicated	0.00	9,400	0	0	0	0	9,400
Total	0.00	31,400	0	0	0	0	31,400
10.61 Salary Multiplier - Regular Employees: The Governor recommends a 3% Change in Employee Compensation to be distributed by merit.							
General	0.00	186,900	0	0	0	0	186,900
Dedicated	0.00	81,600	0	0	0	0	81,600
Total	0.00	268,500	0	0	0	0	268,500
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
Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0
10.67 Compensation Schedule Changes: The Governor recommends the pay structure for state employees be moved by 2%. As this will result in employees being below the minimum of their pay grade, he recommends additional funding to adjust that pay to the minimum.							
General	0.00	14,600	0	0	0	0	14,600
Dedicated	0.00	7,900	0	0	0	0	7,900
Total	0.00	22,500	0	0	0	0	22,500

FY 2020 Total Maintenance

General	104.05	7,762,400	1,074,600	0	0	0	8,837,000
Dedicated	43.30	3,366,000	853,600	0	0	0	4,219,600
Federal	0.00	0	8,000	0	0	0	8,000
Total	147.35	11,128,400	1,936,200	0	0	0	13,064,600

Line Items

12.01 Tax Auditors: The Governor recommends 2.0 FTP, General Fund, and dedicated fund spending authority for a multi-state tax auditor and the conversion of a part-time non-filer auditor to full time. These positions will pursue viable non-filer leads and review amended and out-of-compliance multi-state tax returns. Based on the average recovery amount, these positions are estimated to generate an additional \$808,300 in General Fund revenue per year.							
General	1.00	42,100	0	0	0	0	42,100
Dedicated	1.00	71,900	10,000	0	0	0	81,900
Total	2.00	114,000	10,000	0	0	0	124,000
12.04 Change in Compensation for Commissioners: The Governor recommends a 3% salary increase for commissioners. This increases the annual salary to \$102,049.							
Dedicated	0.00	1,300	0	0	0	0	1,300
Total	0.00	1,300	0	0	0	0	1,300

Tax Commission, State Audit

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>
FY 2020 Gov's Recommendation							
General	105.05	7,804,500	1,074,600	0	0	0	8,879,100
Dedicated	44.30	3,439,200	863,600	0	0	0	4,302,800
Federal	0.00	0	8,000	0	0	0	8,000
Total	149.35	11,243,700	1,946,200	0	0	0	13,189,900

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 Collection Division collects delinquent taxes for all tax types. 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 2019 Original Appropriation

3.00 FY 2019 Original Appropriation: SB 1380

General	110.00	6,456,000	997,900	0	0	0	7,453,900
Dedicated	3.00	197,900	23,500	0	0	0	221,400
Total	113.00	6,653,900	1,021,400	0	0	0	7,675,300

FY 2019 Total Appropriation

General	110.00	6,456,000	997,900	0	0	0	7,453,900
Dedicated	3.00	197,900	23,500	0	0	0	221,400
Total	113.00	6,653,900	1,021,400	0	0	0	7,675,300

FY 2019 Estimated Expenditures

General	110.00	6,456,000	997,900	0	0	0	7,453,900
Dedicated	3.00	197,900	23,500	0	0	0	221,400
Total	113.00	6,653,900	1,021,400	0	0	0	7,675,300

FY 2020 Base

General	110.00	6,456,000	997,900	0	0	0	7,453,900
Dedicated	3.00	197,900	23,500	0	0	0	221,400
Total	113.00	6,653,900	1,021,400	0	0	0	7,675,300

Program Maintenance

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	(65,300)	0	0	0	0	(65,300)
Dedicated	0.00	(1,900)	0	0	0	0	(1,900)
Total	0.00	(67,200)	0	0	0	0	(67,200)

	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 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	18,200	0	0	0	0	18,200
Dedicated	0.00	500	0	0	0	0	500
Total	0.00	18,700	0	0	0	0	18,700
10.23 Contract Inflation: The Governor recommends General Fund and dedicated fund spending authority for lease costs due to the relocation of the Pocatello field office.							
General	0.00	0	35,800	0	0	0	35,800
Dedicated	0.00	0	4,000	0	0	0	4,000
Total	0.00	0	39,800	0	0	0	39,800
10.44 Building Services Space Charge: Adjustments to Capitol Mall rent are reflected here.							
General	0.00	0	13,200	0	0	0	13,200
Total	0.00	0	13,200	0	0	0	13,200
10.61 Salary Multiplier - Regular Employees: The Governor recommends a 3% Change in Employee Compensation to be distributed by merit.							
General	0.00	154,500	0	0	0	0	154,500
Dedicated	0.00	4,800	0	0	0	0	4,800
Total	0.00	159,300	0	0	0	0	159,300
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
Total	0.00	0	0	0	0	0	0
10.67 Compensation Schedule Changes: The Governor recommends the pay structure for state employees be moved by 2%. As this will result in employees being below the minimum of their pay grade, he recommends additional funding to adjust that pay to the minimum.							
General	0.00	11,200	0	0	0	0	11,200
Total	0.00	11,200	0	0	0	0	11,200

FY 2020 Total Maintenance

General	110.00	6,574,600	1,046,900	0	0	0	7,621,500
Dedicated	3.00	201,300	27,500	0	0	0	228,800
Total	113.00	6,775,900	1,074,400	0	0	0	7,850,300

Line Items

12.01 Field Office Security: The Governor recommends General Fund to fortify taxpayer services counters and windows with bullet-proof materials at the Lewiston and Twin Falls field offices. These materials have already been installed at other agency field offices. Making these fortifications will reduce the risk of violent acts by disgruntled taxpayers.							
General	0.00	0	115,000	0	0	0	115,000
Total	0.00	0	115,000	0	0	0	115,000

Tax Commission, State
Collection

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>
FY 2020 Gov's Recommendation							
General	110.00	6,574,600	1,161,900	0	0	0	7,736,500
Dedicated	3.00	201,300	27,500	0	0	0	228,800
Total	113.00	6,775,900	1,189,400	0	0	0	7,965,300

Tax Commission, State

Revenue Operations

Executive Budget Detail

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Lump Sum	Total Gov Rec
Description: The Revenue Operations 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 17 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. It also 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 2019 Original Appropriation

3.00 FY 2019 Original Appropriation: SB 1380

General	68.15	4,078,800	1,846,800	50,000	0	0	5,975,600
Dedicated	11.85	734,000	374,900	27,300	0	0	1,136,200
Other	0.00	0	26,400	0	0	0	26,400
Total	80.00	4,812,800	2,248,100	77,300	0	0	7,138,200

FY 2019 Total Appropriation

General	68.15	4,078,800	1,846,800	50,000	0	0	5,975,600
Dedicated	11.85	734,000	374,900	27,300	0	0	1,136,200
Other	0.00	0	26,400	0	0	0	26,400
Total	80.00	4,812,800	2,248,100	77,300	0	0	7,138,200

FY 2019 Estimated Expenditures

General	68.15	4,078,800	1,846,800	50,000	0	0	5,975,600
Dedicated	11.85	734,000	374,900	27,300	0	0	1,136,200
Other	0.00	0	26,400	0	0	0	26,400
Total	80.00	4,812,800	2,248,100	77,300	0	0	7,138,200

Base Adjustments

8.31 Transfer Between Programs: This decision unit makes a program transfer of 1.0 FTP and General Fund to General Services for taxpayer outreach and communication.

General	(1.00)	(58,400)	0	0	0	0	(58,400)
Total	(1.00)	(58,400)	0	0	0	0	(58,400)

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

General	0.00	0	(212,500)	(50,000)	0	0	(262,500)
Dedicated	0.00	0	(99,500)	(25,000)	0	0	(124,500)
Total	0.00	0	(312,000)	(75,000)	0	0	(387,000)

Executive Budget Detail

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Lump Sum	Total Gov Rec
FY 2020 Base							
General	67.15	4,020,400	1,634,300	0	0	0	5,654,700
Dedicated	11.85	734,000	275,400	2,300	0	0	1,011,700
Other	0.00	0	26,400	0	0	0	26,400
Total	79.00	4,754,400	1,936,100	2,300	0	0	6,692,800

Program Maintenance

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	(40,400)	0	0	0	0	(40,400)
Dedicated	0.00	(7,000)	0	0	0	0	(7,000)
Total	0.00	(47,400)	0	0	0	0	(47,400)

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	10,500	0	0	0	0	10,500
Dedicated	0.00	1,700	0	0	0	0	1,700
Total	0.00	12,200	0	0	0	0	12,200

10.61 Salary Multiplier - Regular Employees: The Governor recommends a 3% Change in Employee Compensation to be distributed by merit.

General	0.00	87,000	0	0	0	0	87,000
Dedicated	0.00	15,000	0	0	0	0	15,000
Total	0.00	102,000	0	0	0	0	102,000

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
Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0

10.67 Compensation Schedule Changes: The Governor recommends the pay structure for state employees be moved by 2%. As this will result in employees being below the minimum of their pay grade, he recommends additional funding to adjust that pay to the minimum.

General	0.00	7,400	0	0	0	0	7,400
Dedicated	0.00	1,900	0	0	0	0	1,900
Total	0.00	9,300	0	0	0	0	9,300

Tax Commission, State

Revenue Operations

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>
FY 2020 Total Maintenance							
General	67.15	4,084,900	1,634,300	0	0	0	5,719,200
Dedicated	11.85	745,600	275,400	2,300	0	0	1,023,300
Other	0.00	0	26,400	0	0	0	26,400
Total	79.00	4,830,500	1,936,100	2,300	0	0	6,768,900

Line Items

12.01 Revenue Operations Positions: The Governor recommends 2.0 FTP, General Fund, and dedicated fund spending authority for two technical records specialist 2 positions. Individual and corporate income tax returns are up by 84,600 (10%) over the past five years without a staffing increase. The recommended positions will resolve processing errors on returns with inconsistent or missing taxpayer information. The increase in full-time staff will prevent a backlog of unprocessed returns in future tax years.

General	1.80	96,700	0	0	0	0	96,700
Dedicated	0.20	10,700	0	0	0	0	10,700
Total	2.00	107,400	0	0	0	0	107,400

FY 2020 Gov's Recommendation

General	68.95	4,181,600	1,634,300	0	0	0	5,815,900
Dedicated	12.05	756,300	275,400	2,300	0	0	1,034,000
Other	0.00	0	26,400	0	0	0	26,400
Total	81.00	4,937,900	1,936,100	2,300	0	0	6,876,300

Executive Budget Detail

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Lump Sum	Total Gov Rec
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Description: The Property Tax Division provides oversight in the administration of the property tax system. 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 2019 Original Appropriation

3.00 FY 2019 Original Appropriation: SB 1380

General	39.00	3,263,900	425,900	0	0	0	3,689,800
Other	0.00	0	131,000	10,300	0	0	141,300
Total	39.00	3,263,900	556,900	10,300	0	0	3,831,100

Expenditure Adjustments

4.31 Property Tax Reduction Position: The Governor recommends 1.0 FTP and General Fund for a technical records specialist 1 position to administer the disabled veterans' property tax reduction passed in HB 492 during the 2018 legislative session.

General	0.25	11,900	1,300	0	0	0	13,200
Total	0.25	11,900	1,300	0	0	0	13,200

4.32 Property Tax Training Spending Authority: The Governor recommends dedicated fund spending authority for semi-annual property tax training conducted by the agency. These trainings are funded through fees paid by attendees to cover the cost of instructors, classrooms, and materials. The agency currently has insufficient spending authority to use the fee revenue in this fund.

Other	0.00	0	20,000	0	0	0	20,000
Total	0.00	0	20,000	0	0	0	20,000

FY 2019 Total Appropriation

General	39.25	3,275,800	427,200	0	0	0	3,703,000
Other	0.00	0	151,000	10,300	0	0	161,300
Total	39.25	3,275,800	578,200	10,300	0	0	3,864,300

FY 2019 Estimated Expenditures

General	39.25	3,275,800	427,200	0	0	0	3,703,000
Other	0.00	0	151,000	10,300	0	0	161,300
Total	39.25	3,275,800	578,200	10,300	0	0	3,864,300

Base Adjustments

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

Other	0.00	0	0	(10,300)	0	0	(10,300)
Total	0.00	0	0	(10,300)	0	0	(10,300)

Tax Commission, State

Property Tax

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>
FY 2020 Base							
General	39.25	3,275,800	427,200	0	0	0	3,703,000
Other	0.00	0	151,000	0	0	0	151,000
Total	39.25	3,275,800	578,200	0	0	0	3,854,000

Program Maintenance

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	(23,700)	0	0	0	0	(23,700)
Total	0.00	(23,700)	0	0	0	0	(23,700)

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	10,000	0	0	0	0	10,000
Total	0.00	10,000	0	0	0	0	10,000

10.23 Contract Inflation: The Governor recommends General Fund for an increase in the agency's property tax software costs.

General	0.00	0	4,500	0	0	0	4,500
Total	0.00	0	4,500	0	0	0	4,500

10.31 Repair, Replacement Items/Alterations: The Governor recommends \$10,300 in one-time dedicated fund spending authority for repair and replacement items.

Other	0.00	0	0	10,300	0	0	10,300
Total	0.00	0	0	10,300	0	0	10,300

10.51 Annualizations: This decision unit provides an annualization of the supplemental position recommended in DU 4.31.

General	0.75	35,700	3,700	0	0	0	39,400
Total	0.75	35,700	3,700	0	0	0	39,400

10.61 Salary Multiplier - Regular Employees: The Governor recommends a 3% Change in Employee Compensation to be distributed by merit.

General	0.00	84,600	0	0	0	0	84,600
Total	0.00	84,600	0	0	0	0	84,600

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
Total	0.00	0	0	0	0	0	0

Executive Budget Detail

	FTP	Personnel Cost	Operating Expense	Capital Outlay	Trustee/ Benefit	Lump Sum	Total Gov Rec
10.67 Compensation Schedule Changes: The Governor recommends the pay structure for state employees be moved by 2%. As this will result in employees being below the minimum of their pay grade, he recommends additional funding to adjust that pay to the minimum.							
General	0.00	3,400	0	0	0	0	3,400
Total	0.00	3,400	0	0	0	0	3,400

FY 2020 Total Maintenance

General	40.00	3,385,800	435,400	0	0	0	3,821,200
Other	0.00	0	151,000	10,300	0	0	161,300
Total	40.00	3,385,800	586,400	10,300	0	0	3,982,500

FY 2020 Gov's Recommendation

General	40.00	3,385,800	435,400	0	0	0	3,821,200
Other	0.00	0	151,000	10,300	0	0	161,300
Total	40.00	3,385,800	586,400	10,300	0	0	3,982,500