

Agency Expenditure Summary

| | <u>FY 2016</u> | | <u>FY 2017</u> | | <u>FY 2018</u> | |
|--------------------------|----------------|----------------|----------------|-----------------|----------------|----------------|
| | <u>Approp</u> | <u>Actual</u> | <u>Approp</u> | <u>Estimate</u> | <u>Request</u> | <u>Gov Rec</u> |
| By Function | | | | | | |
| Tax Appeals | 534,400 | 489,000 | 565,300 | 565,300 | 601,200 | 606,700 |
| Total | 534,400 | 489,000 | 565,300 | 565,300 | 601,200 | 606,700 |
| By Fund Source | | | | | | |
| General | 534,400 | 489,000 | 565,300 | 565,300 | 601,200 | 606,700 |
| Total | 534,400 | 489,000 | 565,300 | 565,300 | 601,200 | 606,700 |
| By Object | | | | | | |
| Personnel Costs | 458,600 | 404,500 | 488,100 | 488,100 | 511,600 | 517,100 |
| Operating Expenditures | 75,800 | 80,600 | 77,200 | 77,200 | 86,700 | 86,700 |
| Capital Outlay | 0 | 3,900 | 0 | 0 | 2,900 | 2,900 |
| Trustee/Benefit Payments | 0 | 0 | 0 | 0 | 0 | 0 |
| Lump Sum | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 534,400 | 489,000 | 565,300 | 565,300 | 601,200 | 606,700 |
| FTP Positions | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |

| | <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> |
|--|------------|-----------------------|--------------------------|-----------------------|------------------------|-----------------|----------------------|
|--|------------|-----------------------|--------------------------|-----------------------|------------------------|-----------------|----------------------|

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 2017 Original Appropriation

3.00 FY 2017 Original Appropriation: HB 588

| | | | | | | | |
|--------------|-------------|----------------|---------------|----------|----------|----------|----------------|
| General | 5.00 | 488,100 | 77,200 | 0 | 0 | 0 | 565,300 |
| Total | 5.00 | 488,100 | 77,200 | 0 | 0 | 0 | 565,300 |

FY 2017 Total Appropriation

| | | | | | | | |
|--------------|-------------|----------------|---------------|----------|----------|----------|----------------|
| General | 5.00 | 488,100 | 77,200 | 0 | 0 | 0 | 565,300 |
| Total | 5.00 | 488,100 | 77,200 | 0 | 0 | 0 | 565,300 |

FY 2017 Estimated Expenditures

| | | | | | | | |
|--------------|-------------|----------------|---------------|----------|----------|----------|----------------|
| General | 5.00 | 488,100 | 77,200 | 0 | 0 | 0 | 565,300 |
| Total | 5.00 | 488,100 | 77,200 | 0 | 0 | 0 | 565,300 |

Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2017.

| | | | | | | | |
|--------------|-------------|-----------------|----------|----------|----------|----------|-----------------|
| General | 0.00 | (13,500) | 0 | 0 | 0 | 0 | (13,500) |
| Total | 0.00 | (13,500) | 0 | 0 | 0 | 0 | (13,500) |

FY 2018 Base

| | | | | | | | |
|--------------|-------------|----------------|---------------|----------|----------|----------|----------------|
| General | 5.00 | 474,600 | 77,200 | 0 | 0 | 0 | 551,800 |
| Total | 5.00 | 474,600 | 77,200 | 0 | 0 | 0 | 551,800 |

Program Maintenance

10.11 Change in Health Benefit Costs: This decision unit reflects the scheduled changes in the employer benefit cost after the maximum health insurance continuation for employees with an open disability claim is reduced from 30 months to six months.

| | | | | | | | |
|--------------|-------------|--------------|----------|----------|----------|----------|--------------|
| General | 0.00 | 4,300 | 0 | 0 | 0 | 0 | 4,300 |
| Total | 0.00 | 4,300 | 0 | 0 | 0 | 0 | 4,300 |

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> |
|---|-------------|-----------------------|--------------------------|-----------------------|------------------------|-----------------|----------------------|
| 10.21 General Inflation Adjustments: The Governor recommends General Fund to cover prior-year cost increases in the agency's information technology services contract with the Department of Administration. Contract costs increased 56% between FY 2015 and FY 2017, which is putting pressure on the agency's ability to hold in-person tax appeals. | | | | | | | |
| General | 0.00 | 0 | 1,600 | 0 | 0 | 0 | 1,600 |
| Total | 0.00 | 0 | 1,600 | 0 | 0 | 0 | 1,600 |
| 10.23 Contract Inflation: The Governor recommends General Fund for contract inflation related to lease costs (\$500) and FY 2018 cost increases in the agency's information technology services contract with the Department of Administration (\$200). | | | | | | | |
| General | 0.00 | 0 | 700 | 0 | 0 | 0 | 700 |
| Total | 0.00 | 0 | 700 | 0 | 0 | 0 | 700 |
| 10.31 Repair, Replacement Items/Alterations: The Governor recommends replacing a printer (\$500) and digital hearing recorders and memory cards (\$2,400). | | | | | | | |
| General | 0.00 | 0 | 0 | 2,900 | 0 | 0 | 2,900 |
| Total | 0.00 | 0 | 0 | 2,900 | 0 | 0 | 2,900 |
| 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 | 4,900 | 0 | 0 | 0 | 4,900 |
| Total | 0.00 | 0 | 4,900 | 0 | 0 | 0 | 4,900 |
| 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 FY 2018 amounts include the addition of cybersecurity coverage beginning in December 2016. | | | | | | | |
| General | 0.00 | 0 | 200 | 0 | 0 | 0 | 200 |
| Total | 0.00 | 0 | 200 | 0 | 0 | 0 | 200 |
| 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 | (100) | 0 | 0 | 0 | (100) |
| Total | 0.00 | 0 | (100) | 0 | 0 | 0 | (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 | 11,400 | 0 | 0 | 0 | 0 | 11,400 |
| Total | 0.00 | 11,400 | 0 | 0 | 0 | 0 | 11,400 |
| 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 |
| FY 2018 Total Maintenance | | | | | | | |
| General | 5.00 | 490,300 | 84,500 | 2,900 | 0 | 0 | 577,700 |
| Total | 5.00 | 490,300 | 84,500 | 2,900 | 0 | 0 | 577,700 |

| | <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 | Board Member Compensation: The Governor recommends increasing daily compensation for Tax Appeals board members from \$200 per day to \$300 per day. This line item includes Personnel Costs for three board members working up to 80 days per year. Board compensation was last changed in FY 1999 and the value has eroded significantly due to inflation. Increasing board compensation will help attract and retain qualified and experienced board members. This decision unit is contingent upon the passage of legislation. | | | | | | |
| General | 0.00 | 26,800 | 0 | 0 | 0 | 0 | 26,800 |
| Total | 0.00 | 26,800 | 0 | 0 | 0 | 0 | 26,800 |
| 12.02 | Per Diem Costs: The Governor recommends ongoing General Fund for increased per diem costs due to updates to the state travel policy established by the State Board of Examiners. Per diem costs are incurred as board members purchase meals while traveling to appeals held throughout the state. Fixed expenses constitute over \$57,000 of the agency's operating budget, leaving less than \$25,000 for variable expenses such as office supplies, travel, lodging, and meals. Without additional General Fund to cover per diem costs, the agency's ability to hold in-person tax appeals will be limited, jeopardizing taxpayers' perception of fairness in the state's appeals process. | | | | | | |
| General | 0.00 | 0 | 2,200 | 0 | 0 | 0 | 2,200 |
| Total | 0.00 | 0 | 2,200 | 0 | 0 | 0 | 2,200 |
| FY 2018 Gov's Recommendation | | | | | | | |
| General | 5.00 | 517,100 | 86,700 | 2,900 | 0 | 0 | 606,700 |
| Total | 5.00 | 517,100 | 86,700 | 2,900 | 0 | 0 | 606,700 |