

## State Board of Tax Appeals

| Expenditure                 | Actual<br>FY 2014          | Approved<br>FY 2015        | Approved<br>FY 2016        | Approved<br>FY 2017        |
|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>All Funds:</b>           |                            |                            |                            |                            |
| State Operations            | \$ 1,707,456               | \$ 1,840,697               | \$ 1,819,804               | \$ 1,875,454               |
| Aid to Local Units          | -                          | -                          | -                          | -                          |
| Other Assistance            | -                          | -                          | -                          | -                          |
| <i>Subtotal - Operating</i> | <u>\$ 1,707,456</u>        | <u>\$ 1,840,697</u>        | <u>\$ 1,819,804</u>        | <u>\$ 1,875,454</u>        |
| Capital Improvements        | -                          | -                          | -                          | -                          |
| <b>TOTAL</b>                | <u><u>\$ 1,707,456</u></u> | <u><u>\$ 1,840,697</u></u> | <u><u>\$ 1,819,804</u></u> | <u><u>\$ 1,875,454</u></u> |
| <b>State General Fund:</b>  |                            |                            |                            |                            |
| State Operations            | \$ 807,964                 | \$ 835,504                 | \$ 806,429                 | \$ 798,281                 |
| Aid to Local Units          | -                          | -                          | -                          | -                          |
| Other Assistance            | -                          | -                          | -                          | -                          |
| <i>Subtotal - Operating</i> | <u>\$ 807,964</u>          | <u>\$ 835,504</u>          | <u>\$ 806,429</u>          | <u>\$ 798,281</u>          |
| Capital Improvements        | -                          | -                          | -                          | -                          |
| <b>TOTAL</b>                | <u><u>\$ 807,964</u></u>   | <u><u>\$ 835,504</u></u>   | <u><u>\$ 806,429</u></u>   | <u><u>\$ 798,281</u></u>   |
| <b>Percent Change:</b>      |                            |                            |                            |                            |
| Operating Expenditures      |                            |                            |                            |                            |
| All Funds                   | (15.0)%                    | 7.8 %                      | (1.1)%                     | 3.1 %                      |
| State General Fund          | (16.1)                     | 3.4                        | (3.5)                      | (1.0)                      |
| FTE Positions               | 17.0                       | 17.0                       | 17.0                       | 17.0                       |
| Non-FTE Unclass. Perm. Pos. | -                          | -                          | -                          | -                          |
| <b>TOTAL</b>                | <u><u>17.0</u></u>         | <u><u>17.0</u></u>         | <u><u>17.0</u></u>         | <u><u>17.0</u></u>         |

The approved budget for the State Board of Tax Appeals in FY 2015 is \$1.8 million, including \$835,504 from the State General Fund, which is an all funds increase of \$133,241, or 7.8 percent, and a State General Fund increase \$27,540, or 3.4 percent, above FY 2014 actual expenditures. The increase is primarily attributable to increased salary and wage expenditures and higher contractual service expenditures, specifically for the purposes of contracted hearing officers.

The approved budget for FY 2016 is \$1.8 million, including \$806,429 from the State General Fund, which is an all funds decrease of \$20,893, or 1.1 percent, and a State General Fund decrease of \$29,075, or 3.5 percent, below the FY 2015 final approved budget. The decrease is

attributable to reduced salary and wage expenditures and reduced expenditures on commodities.

The approved budget for FY 2017 is \$1.9 million, including \$798,281 from the State General Fund, which is an all funds increase of \$55,650, or 3.1 percent, but a State General Fund decrease of \$8,148, or 1.0 percent, from the FY 2016 approved budget. The all funds increase is attributable to salaries and wages, specifically expenses related to the 27<sup>th</sup> pay period that occurs in the fiscal year. The State General Fund decrease is attributable to the agency relying more on the Board of Tax Appeals Filing Fee Fund as a primary funding source for agency operations.

## State Board of Tax Appeals

|   | FY 2015      |              |      | FY 2016      |              |      | FY 2017      |              |      |
|---|--------------|--------------|------|--------------|--------------|------|--------------|--------------|------|
|   | SGF          | All Funds    | FTE  | SGF          | All Funds    | FTE  | SGF          | All Funds    | FTE  |
| <b>Agency Estimate/Request</b>                | \$ 1,044,804 | \$ 1,872,656 | 17.0 | \$ 1,157,536 | \$ 2,002,335 | 17.0 | \$ 1,157,536 | \$ 2,074,133 | 17.0 |
| <b>Governor's Changes:</b>                    |              |              |      |              |              |      |              |              |      |
| 1. Reverse Agency Requested Supplemental      | \$ (185,000) | \$ -         | -    | \$ (300,000) | \$ (115,000) | -    | \$ (300,000) | \$ (115,000) | -    |
| 2. Governor's December 9th Allotment          | (24,300)     | (24,300)     | -    | -            | -            | -    | -            | -            | -    |
| 3. KPERs Employer Contribution Rate Reduction | -            | (7,659)      | -    | -            | -            | -    | -            | -            | -    |
| 4. 4.0 Percent SGF Operating Reduction        | -            | -            | -    | (34,301)     | (34,301)     | -    | (34,301)     | (34,301)     | -    |
| 5. Health Insurance Reduction                 | -            | -            | -    | (6,769)      | (13,414)     | -    | (6,888)      | (13,651)     | -    |
| <b>Total Governor's Recommendation</b>        | \$ 835,504   | \$ 1,840,697 | 17.0 | \$ 816,466   | \$ 1,839,620 | 17.0 | \$ 816,347   | \$ 1,911,181 | 17.0 |
| Change from Agency Est./Req.                  | \$ (209,300) | \$ (31,959)  | -    | \$ (341,070) | \$ (162,715) | -    | \$ (341,189) | \$ (162,952) | -    |
| Percent Change from Agency Est./Req.          | (20.0)%      | (1.7)%       | - %  | (29.5)%      | (8.1)%       | - %  | (29.5)%      | (7.9)%       | - %  |
| <b>Legislative Action:</b>                    |              |              |      |              |              |      |              |              |      |
| 6. KPERs Employer Contribution Rate Reduction | \$ -         | \$ -         | -    | \$ (8,252)   | \$ (16,354)  | -    | \$ (16,179)  | \$ (32,006)  | -    |
| 7. KPERs Death and Disability Reduction       | -            | -            | -    | (1,708)      | (3,385)      | -    | (1,875)      | (3,709)      | -    |
| 8. Travel Expenditures Reduction              | -            | -            | -    | (77)         | (77)         | -    | (12)         | (12)         | -    |
| 9. Newspapers and Magazines Prohibition       | -            | -            | -    | -            | -            | -    | -            | -            | -    |
| <b>TOTAL APPROVED</b>                         | \$ 835,504   | \$ 1,840,697 | 17.0 | \$ 806,429   | \$ 1,819,804 | 17.0 | \$ 798,281   | \$ 1,875,454 | 17.0 |
| Change from Gov. Rec.                         | \$ -         | \$ -         | -    | \$ (10,037)  | \$ (19,816)  | -    | \$ (18,066)  | \$ (35,727)  | -    |
| Percent Change from Gov. Rec.                 | - %          | - %          | - %  | (1.2)%       | (1.1)%       | - %  | (2.2)%       | (1.9)%       | - %  |
| Change from Agency Est./Req.                  | \$ (209,300) | \$ (31,959)  | -    | \$ (351,107) | \$ (182,531) | -    | \$ (359,255) | \$ (198,679) | -    |
| Percent Change from Agency Est./Req.          | (20.0)%      | (1.7)%       | - %  | (30.3)%      | (9.1)%       | - %  | (31.0)%      | (9.6)%       | - %  |

1. The Governor did not recommend the agency's \$185,000 State General Fund supplemental request to offset reduced revenue collected from the BOTA Filing Fee Fund due to changes included in 2014 House Sub. for SB 231.

2. The Governor deleted \$24,300, all from the State General Fund, as part of the December 9<sup>th</sup> allotment in FY 2015. For this agency, the allotment included a reduction of \$17,196 to reduce the Kansas Public Employees Retirement System employer contribution rate (excluding KPERs Death and Disability) from 11.27 percent to 8.65 percent in FY 2015 and a reduction of \$7,104 for a 4.0 percent reduction in operating expenditures for the last six months of FY 2015.

3. The Governor deleted \$7,659, all from special revenue funds, to reduce the Kansas Public Employees Retirement System employer contribution rate (excluding KPERs Death and Disability) from 11.27 percent to 8.65 percent in FY 2015.

4. The Governor deleted \$34,301, all from the State General Fund, for both FY 2016 and FY 2017 for a 4.0 percent reduction in operating expenditures.

5. The Governor deleted \$13,414, including \$6,769 from the State General Fund, for FY 2016 and \$13,651, including \$6,888 from the State General

- Fund, for FY 2017 to reduce employer contributions for state employee health insurance.
6. The Legislature reduced the Kansas Public Employees Retirement System employer contribution rate (excluding KPERS Death and Disability) from 12.37 percent to 10.91 percent for FY 2016 and from 13.57 percent to 10.81 percent for FY 2017. **For this agency, the reductions totaled \$16,354, including \$8,252 from the State General Fund, for FY 2016 and \$32,006, including \$16,179 from the State General Fund, for FY 2017.**
  7. The Legislature deleted \$3,385, including \$1,708 from the State General Fund, for FY 2016 and \$3,709, including \$1,875 from the State General Fund for FY 2017 to suspend employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund, for the final seven pay periods for FY 2016 and FY 2017.
  8. The Legislature deleted \$77 for FY 2016 and \$12 for FY 2017, all from the State General Fund, for a 25.0 percent reduction of travel expenditures.
  9. The Legislature prohibited agencies from making expenditures on newspapers and magazines, including electronic subscriptions, for FY 2016 and FY 2017.