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Minnesota Department of Revenue

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<http://www.revenue.state.mn.us>

AT A GLANCE

- In 2015, the Department of Revenue:
- Employed 1,350 people across the state
- Processed 2.9 million individual income tax returns
- Collected \$21.3 billion in state taxes annually to fund state and local programs
- Collected \$10.4 billion in individual income taxes
- Collected \$5.4 billion in sales taxes
- Collected \$8.4 billion in statewide property taxes
- Helped 160,000 businesses collect sales tax
- Assisted 3,420 local governments with tax administration
- Answered 765,000 phone calls and helped another 425,000 customers by email or in-person
- Served 2.8 million visitors (20 million page views) through our website

PURPOSE

The Minnesota Department of Revenue's mission is "working together to fund Minnesota's future." Our vision is that everyone reports, pays and receives the right amount: no more, no less.

We work with individuals, businesses, local governments, federal and state agencies, tax professionals, and others to administer 31 state taxes. We collect over \$21 billion in state taxes annually to fund state and local programs.

We also collect debt owed to state agencies and local governments. We oversee the uniform application of property tax laws by local governments, administer state property tax refund and relief programs, and make state aid payments to counties, cities, towns, and special taxing districts through 31 state programs.

Funding Minnesota

The revenue we collect is allocated through the budget process to fund a wide range of state and local programs – education, health care, roads and bridges, transit, parks and trails, prisons, public safety, job training, economic development, and local government services, among others.

The department's budget is organized into two major programs: Tax System Management and Debt Collection Management.

Tax System Management includes:

- administration of state taxes
- appeals, legal services and tax research
- property tax administration and state aids
- tax payment and return processing
- operational support
- technology development, implementation and support

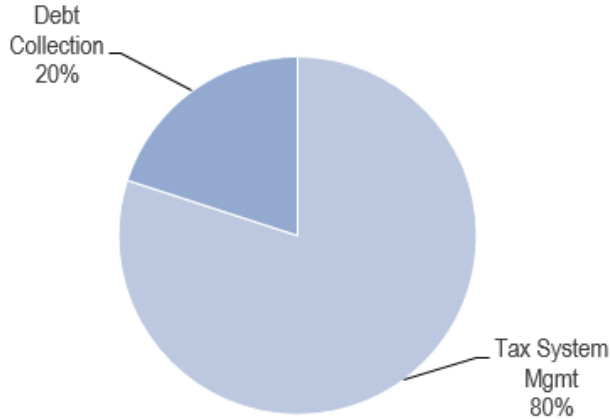
Debt Collection Management includes collecting delinquent tax debts and debts owed to other state agencies.

These programs directly contribute to and support the statewide outcome of efficient and accountable government services. In addition, the revenue we collect supports other statewide outcomes, including:

- A thriving economy that encourages business growth and employment opportunities
- Minnesotans have the education and skills needed to achieve their goals
- All Minnesotans have optimal health
- Strong and stable families and communities
- People in Minnesota are safe
- A clean, healthy environment with sustainable uses of natural resources
- Sustainable options to safely move people, goods, services and information

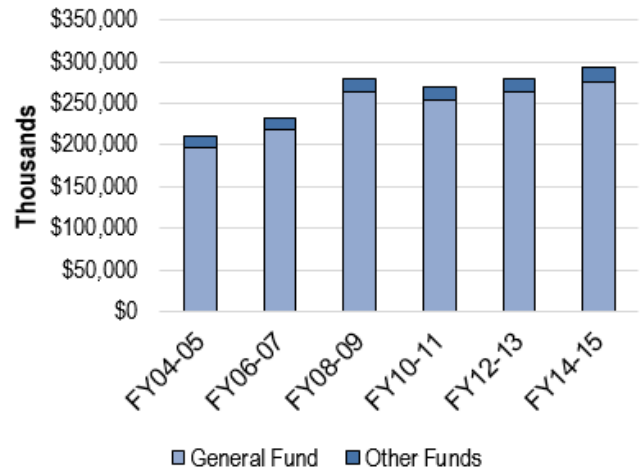
BUDGET

**Spending by Program
FY 15 Actual**



Source: SWIFT

Historical Spending



Source: Consolidated Fund Statement

STRATEGIES

To achieve our mission we have identified the following Department of Revenue strategies:

1. Provide customers with information, education, and services.
2. Create operational efficiencies and leverage technology to secure customer information, and to meet customer and employee needs.
3. Enforce the tax laws by identifying and addressing patterns of non-compliance.
4. Listen to our customers, identify and develop improvements to the revenue system.
5. Foster a productive, innovative, and healthy work environment that provides opportunities for growth and development.

M.S. 270C.03 establishes the Department of Revenue's legal authority. (www.revisor.mn.gov/statutes/?id=270C.03).

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecasted Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	136,967	137,976	132,606	153,570	145,258	145,258	156,946	162,833
2000 - Restrict Misc Special Revenue	4,673	4,935	3,675	4,627	5,110	5,125	5,206	5,223
2360 - Health Care Access	1,569	1,893	1,597	1,901	1,749	1,749	1,749	1,749
2710 - Highway Users Tax Distribution	2,028	2,286	2,040	2,326	2,183	2,183	2,417	2,405
2800 - Environmental	274	295	289	317	303	303	303	303
Total	145,510	147,384	140,207	162,741	154,603	154,618	166,621	172,513
<i>Biennial Change</i>				10,055		6,272		36,185
<i>Biennial % Change</i>				3		2		12
<i>Governor's Change from Base</i>								29,913
<i>Governor's % Change from Base</i>								10

Expenditures by Program

Program: Tax System Management	116,136	117,132	111,748	129,620	123,107	123,117	135,125	141,012
Program: Debt Collection Management	29,374	30,252	28,459	33,121	31,496	31,501	31,496	31,501
Total	145,510	147,384	140,207	162,741	154,603	154,618	166,621	172,513

Expenditures by Category

Compensation	107,428	105,321	104,142	113,089	108,316	108,433	116,658	122,006
Operating Expenses	37,265	40,478	35,499	49,041	45,786	45,685	49,462	50,007
Other Financial Transactions	132	966	133	210	100	100	100	100
Grants, Aids and Subsidies	700	401	399	401	400	400	400	400
Capital Outlay-Real Property	-15	217	34					
Total	145,510	147,384	140,207	162,741	154,603	154,618	166,621	172,513
Full-Time Equivalents	1,512.1	1,393.2	1,323.3	1,351.3	1,262.1	1,218.3	1,374.6	1,386.9

1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	3,465	0	8,497	0	0	0	0
Direct Appropriation	139,313	137,877	140,228	143,235	143,408	143,408	155,096	160,983
Open Appropriation	1,198	978	922	1,900	1,900	1,900	1,900	1,900
Net Transfers	(51)	(2,944)	(47)	(63)	(50)	(50)	(50)	(50)
Cancellations	32	1,400	0	0	0	0	0	0
Expenditures	136,967	137,976	132,606	153,570	145,258	145,258	156,946	162,833
Balance Forward Out	3,461	0	8,497	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				11,233		4,340		33,603
<i>Biennial % Change in Expenditures</i>				4		2		12
<i>Gov's Exp Change from Base</i>								29,263
<i>Gov's Exp % Change from Base</i>								10
Full-Time Equivalents	1,436.1	1,315.1	1,250.8	1,269.5	1,188.2	1,144.5	1,296.1	1,308.6

2000 - Restrict Misc Special Revenue

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	3,593	3,436	3,249	4,491	4,578	4,183	4,578	4,185
Receipts	4,516	4,741	4,917	4,715	4,715	4,715	4,813	4,815
Net Transfers	0	(100)	0	0	0	0	0	0
Expenditures	4,673	4,935	3,675	4,627	5,110	5,125	5,206	5,223
Balance Forward Out	3,436	3,142	4,491	4,578	4,183	3,773	4,185	3,777
<i>Biennial Change in Expenditures</i>				(1,306)		1,933		2,127
<i>Biennial % Change in Expenditures</i>				(14)		23		26
<i>Gov's Exp Change from Base</i>								194
<i>Gov's Exp % Change from Base</i>								2
Full-Time Equivalents	37.0	35.9	30.4	38.7	31.8	31.7	33.3	33.2

2360 - Health Care Access

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	180	0	152	0	0	0	0
Direct Appropriation	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749
Cancellations	0	36	0	0	0	0	0	0
Expenditures	1,569	1,893	1,597	1,901	1,749	1,749	1,749	1,749

2360 - Health Care Access

Balance Forward Out	180	0	152	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				36		(1)		(1)
<i>Biennial % Change in Expenditures</i>				1		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	18.4	19.1	17.4	18.5	17.4	17.4	17.4	17.4

2710 - Highway Users Tax Distribution

	Actual		Actual		Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	156	0	143	0	0	0	0
Direct Appropriation	2,183	2,183	2,183	2,183	2,183	2,183	2,417	2,405
Cancellations	0	53	0	0	0	0	0	0
Expenditures	2,028	2,286	2,040	2,326	2,183	2,183	2,417	2,405
Balance Forward Out	155	0	143	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				53		0		456
<i>Biennial % Change in Expenditures</i>				1		0		10
<i>Gov's Exp Change from Base</i>								456
<i>Gov's Exp % Change from Base</i>								10
Full-Time Equivalents	17.0	19.9	21.3	21.3	21.3	21.3	24.3	24.3

2800 - Environmental

	Actual		Actual		Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	29	0	14	0	0	0	0
Direct Appropriation	303	303	303	303	303	303	303	303
Cancellations	0	38	0	0	0	0	0	0
Expenditures	274	295	289	317	303	303	303	303
Balance Forward Out	29	0	14	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				38		0		0
<i>Biennial % Change in Expenditures</i>				7		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	3.5	3.2	3.4	3.4	3.4	3.4	3.4	3.4

Minnesota Department of Revenue

FY18-19 Biennial Budget Change Item

Change Item Title: Effective and Efficient Tax Service

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	10,191	15,472	15,472	15,472
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	10,191	15,472	15,472	15,472
FTEs	92.8	141.4	141.4	141.4

Recommendation:

The Governor recommends funding to provide effective and efficient service to Minnesota taxpayers. DOR administers the tax code for the state, and is responsible for maintaining a fair, equitable, and transparent revenue system. Each year, the department collects over \$21 billion in state tax, processes 2.9 million individual income tax returns, issues over 800,000 property tax refunds, and helps 160,000 businesses collect sales tax. Each of these metrics continues to grow each year as the population of Minnesota grows and the economy becomes more diversified.

DOR serves a broad base of customers, from start-ups in garages to Fortune 100 companies, from property tax administrators to first-time income tax filers. Each of DOR's customer sets has specific needs and the department strives to meet all of them. Without adequate funding, the agency cannot meet the complex needs of its customers. This proposal will ensure that DOR continues to deliver the high level of services customers expect.

Rationale/Background

Those who file and pay Minnesota taxes need to be able to trust the system that receives their personal information, that other taxpayers are paying their fair share, and that they will receive the right refund amount in a reasonable amount of time. Increased operational costs have limited the department's ability to provide the level of service DOR customers need and expect, and increased demands on the department have created the need for additional funding.

Increased operational costs

Costs to administer Minnesota's tax system have increased over the last four years and will continue to do so. Cost increases are driven by rising compensation, insurance, pension and retirement cost, lease rates, litigation and legal costs, and MNIT rates.

These increases cannot be avoided. Without additional funding over the current base, DOR would need to absorb the additional costs through attrition of approximately 73 employees in FY18 and an additional 48 employees in FY19. The resulting reduction of 121 FTE will negatively impact both customers and, potentially, the General Fund. Customers will wait longer for refunds, and will have a harder time reaching someone in the department by phone or email to have their questions answered. In addition, DOR will perform fewer educational classes and audits, both of which can translate to a negative effect on the revenue stream.

Effective tax system for all customers

The department strives to make filing tax returns as easy as possible for Minnesotans by providing the latest electronic filing and communications options, clear guidance, accurate information and resources, and readily available education opportunities. There is a growing demand for this type of customer service through DOR's call centers, written guidance, website materials, and education resources that reach the greatest number of customers with consistent information. Customers are also seeking an increased amount of more formal guidance, including rules and revenue notices. Additional resources are needed to meet the broad education and guidance demands of DOR's customers.

To ensure fairness, the department must pursue those furthest from compliance, leveling the playing field for all taxpayers. No company in Minnesota should have an advantage over law-abiding competitors because the department did not have the resources to bring them into compliance. More timely and efficient audits, handled by skilled professionals, will help DOR meet its customers' expressed needs, and support fair and consistent tax administration.

The tax system is under attack from those seeking to steal General Fund dollars and refunds from unsuspecting taxpayers. One of the department's most important duties is to make sure taxpayer refunds stay out of the hands of criminals. As DOR continues to combat the increase in identity theft related tax refund fraud, new patterns are being observed, including fraud committed by tax preparers, putting taxpayer money and the state's General Fund at risk. The vast majority of tax preparers are professionals who serve their clients well; a few are actually defrauding their clients. One recent example of large-scale tax preparer fraud cost the state over \$1.6 million in tax revenue over four years. Through the work of a DOR audit and investigation, this tax preparer is currently serving a 46 month prison sentence.

The Governor recognizes the unique legal relationship between the State of Minnesota and the Minnesota Tribal Nations. It is DOR's goal to maintain a respectful relationship with each Tribal Government so the agency can effectively serve Minnesota's Tribal Nations, their members, and businesses. There are ten existing State-Tribal Tax Agreements that were last negotiated over 20 years ago. The agreements are in need of comprehensive review and updating.

Proposal:

This proposal restores and sustains DOR's administration of the tax system to an appropriate level by supporting the existing level of services and making new investment to address new demands.

The Governor recommends the funding to sustain DOR's current level of service to its customers, without reducing staff through attrition.

- This proposal covers DOR's increased costs to deliver existing services in FY18 and FY19. The additional funds will effectively keep the department's tax administration services at FY17 levels by covering known cost increases for people, court-related legal services and professionals, building leases, training demands, and essential technology software and hardware. Without this funding, the department must reduce 121 FTE over the biennium through attrition. This attrition will negatively impact customers by reducing DOR's ability to answer questions, provide information, and conduct timely and efficient audits. It will also negatively impact taxpayers who must compete with those who the department would lack capacity to bring into compliance.

Additional funds and increased staffing levels (20 FTEs per year) are necessary to meet the level of service and new demands customers are asking for from DOR. This proposal will support a fair, efficient, consistent, and transparent tax system in Minnesota.

- This proposal will allow DOR to provide customers with the guidance they need to comply with the law. Funding will be used to ensure that appropriate guidance is provided across all taxpayer groups, including expanding plain language efforts and issuing formal guidance such as rules and revenue notices more frequently. These efforts serve DOR's broad base of diverse customers, ensuring that all taxpayers get clear consistent information.
- To ensure fairness, the department will use funds to support appropriate audit coverage for a more level playing field for all taxpayers. Additional resources will help provide more timely and efficient audits, handled by skilled professionals to help DOR meet its customers' expressed needs, and support fair and consistent tax administration.
- The additional funding will help protect consumers against direct threats from identity theft related tax refund fraud and fraud committed by tax preparers. These funds will allow the department to continue to fight new and ever-changing schemes related to fraud by: funding the ongoing costs for software; training for additional staff; adding staff to identify patterns of fraud or non-compliance; and protecting innocent taxpayers from fraudsters. These efforts can also lead to criminal prosecution which has the added benefit of deterring others who learn about the prosecutions. These improvements will allow the agency to serve tax filers on a timely basis, clearly communicate with taxpayers, and help protect Minnesota's financial resources.
- This proposal will ensure that DOR has capacity to engage with each of the 11 Minnesota Tribal Nations, maintain updated revenue sharing agreements, and provide Tribal Governments, individual American Indians, and Tribal- or

Indian-owned businesses the information, education, and services they need to meet mutually beneficial revenue obligations.

Equity and Inclusion:

This initiative supports a fair, transparent, and equitable revenue system in Minnesota. DOR serves a broad base of customers and has a responsibility to deliver services to them all. The funding in this proposal will allow the department to continue to focus resources on outreach and education targeting low-income Minnesotans, people new to Minnesota, the elderly and others who are underserved or are particularly vulnerable to those who seek to steal from unsuspecting customers. Without these funds, the department will need to divert resources away from serving people with greater needs toward fixed costs that cannot be avoided. This proposal also fosters consistent communication and equal treatment under Minnesota tax laws, and focuses resources on services and information that DOR's entire broad, diverse customer base can understand and use to file returns, pay what they owe, or receive the right refund.

IT Related Proposals:

DOR may have project-related costs on both the operational business area and the technology development and implementation area. DOR will work with MN.IT to contract the technology services and products needed.

Results:

With adequate investment, DOR will maintain the ability to meet its mission of funding Minnesota's future. The vision of "everyone reports, pays, and receives the right amount: no more, no less" will be realized with the appropriate funds to serve DOR's broad customer base and meet growing needs. These investments will help DOR provide excellent customer service while realizing efficiencies whenever possible.

Statutory Change(s):

None.

Minnesota Department of Revenue

FY18-19 Biennial Budget Change Item

Change Item Title: Board of Assessors Operations

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	0	0	0	0
Revenues	(35)	(35)	(35)	(35)
Other Funds				
Expenditures	96	98	102	105
Revenues	98	100	105	108
Net Fiscal Impact = (Expenditures – Revenues)	33	33	32	32
FTEs	1.5	1.5	1.5	1.5

Recommendation:

The Governor recommends funding to adequately fund the Minnesota State Board of Assessors (Board). The Board is administered by the Department of Revenue (DOR). Current fee revenue and the associated appropriation does not cover the costs to administer these programs. Without additional funds, the department cannot sustain this statutorily required program at an adequate level of service to ensure appropriate oversight.

Rationale/Background:

The Board is established in M.S. 270.41. The Board establishes qualifications, coordinates education, and regulates assessor licensure. The Board is an independent body that is "housed within" DOR.

Statute requires the Board to propose fees sufficient to cover all planned expenditures (M.S. 214.06.) Although the Board collects fees from assessors for licensure, those fees are currently deposited into the General Fund, under M.S. 270.45, with no corresponding appropriation for the Board's use. Even if the amount of the fees were available to the Board, the current fee amounts are not adequate to cover Board costs. DOR currently subsidizes all of the costs of the Board's operations with its tax system management appropriation. The board passed a motion in 2016 in support of increasing its fees, but legislative action is required.

Proposal:

The proposal increases assessor license fees and adds an annual statutory adjustment. The proposal deposits the fee revenue into the Special Revenue Fund and appropriates that revenue directly to DOR for board expenses, including maintaining 1.5 FTEs. It also gives the board the authority to issue refunds in cases of overpayment.

This proposal adjusts funding of the Board to ensure the integrity of Property Tax Administration in Minnesota and comply with state law. There are three components to this request:

- Adjust licensing fees in M.S. 270.44 to meet increased expenses.
- Deposit fee receipts to the Special Revenue Fund and make appropriation to DOR for expenses associated with the Board's operating costs.
- Authorize the Board to issue refunds. Without it, assessors who overpay cannot receive a refund.

Equity and Inclusion:

This proposal affects Minnesotans across all racial and ethnic groups. Funding for the Board provides all who pay property tax, regardless of background, a fair and equitable valuation of their property.

IT Related Proposals:

DOR may have project-related costs on both the operational business area and the technology development and implementation area. DOR will work with MN.IT to contract the technology services and products needed.

Results:

An increase in Board of Assessor fees ensures compliance with state law and adequately funds board activities that contribute to fair and equitable property tax administration in Minnesota. It will fill the gap between expenses and revenue.

Statutory Changes:

MS 270.44 – Charges for Courses, Examinations or Materials

MS 270.45 – Disposition of Fees and Fines

MS 270.XX – Refunds of Fees

Minnesota Department of Revenue

FY18-19 Biennial Budget Change Item

Change Item Title: NexTen for Transportation

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	40	180	180	180
Revenues	(1,440)	(5,140)	(6,320)	(6,950)
Special Revenue Fund				
Expenditures	57,000	57,000	57,000	57,000
Revenues	57,000	57,000	57,000	57,000
Highway User Tax Distribution				
Revenues	340,595	586,592	611,349	658,221
Expenditures	234	222	222	222
Transfers Out	340,361	586,370	611,127	657,999
Trunk Highway Fund				
Expenditures	195,763	338,049	352,659	380,311
Transfer In	195,763	338,049	352,659	380,311
County State Aid Fund				
Expenditures	108,185	186,816	194,891	210,172
Transfer In	108,185	186,816	194,891	210,172
Municipal State Aid Fund				
Expenditures	28,417	49,072	51,192	55,206
Transfer In	28,417	49,072	51,192	55,206
Net Fiscal Impact = (Expenditures – Revenues)	1,480	5,320	6,500	7,130
FTEs (MnDOT)	145	243	246	258
FTEs (DOR)	3	3	3	3
*HUTD Transfers out are including transportation funds only.				

Recommendation:

The Governor recommends the state commit to a major investment plan for transportation to fund the estimated \$6 billion dollar gap that exists between funding needs and revenues in the next 10 years. The Governor proposes filling the \$6 billion gap in road and bridge funding by:

- Initiating a 6.5% gross receipts tax on gas
- Increasing registration fees (increase additional tax rate from 1.25% to 1.5% and base tax from \$10 to \$20; phased-in over 4 years)
- Authorizing \$2 billion in trunk highway bonds over the next 10 years
- Leveraging MnDOT efficiencies (up to 15% of new revenue)

The gross receipts tax and registration tax increases will fund roads and bridges at the state, county and municipal levels.

The Governor recommends funding Department of Revenue's cost for administering the NexTen Transportation proposal. These costs include \$234,000 in FY 2018 and \$222,000 in subsequent years for initiating and implementing the 6.5% gross receipts tax on gas.

Other Components:

In addition to the new funding above, the Governor recommends:

- Implementing \$10 surcharges on both motor vehicle registrations and motor vehicle title transfers. These surcharges would raise an estimated \$57 million per year, and would be deposited in the Special Revenue Fund to fund transportation needs not eligible for trunk highway funds:
 - Greater Minnesota transit - \$10 million annual base increase
 - Bike and pedestrian infrastructure, including Safe Routes to Schools administration – \$2.5 million annual base increase
 - Americans with Disabilities (ADA) projects for local roads - \$4 million annual base increase
 - Aid for Cities with Populations under 5,000 - \$19 million annually
 - Aid for Large Cities - \$19 million annually
 - Aid for Tribal Roads - \$2.5 million annually

General fund revenues are reduced by \$6.58 million FY18-19 biennium due to increased petroleum refunds and income tax interactions with the registration tax. General fund appropriations increase by \$220,000 for the biennium for increased aid under M.S. 270C.19 due to the increase in gas tax.

Authorization for the sale of \$2 billion in trunk highway bonds over the next ten years. Debt service for these bonds is estimated to be \$18.1 million for the FY2018-19 biennium. This estimate increases to \$110.9 million for the FY2020-21 biennium. These estimates were provided by the Department of Minnesota Management and Budget.

For the FY2020-21 biennium when the revenues are completely phased in, the increased revenue from the gross receipts and registration fees are forecast to increase expenditures for each transportation fund by about 25%. To illustrate the impact to taxpayers: the increases in the gross receipts tax, registration taxes and the registration surcharge will cost the average Minnesotan \$16 per month, or 54 cents per day, and the gross receipts tax on gasoline is projected to add an additional 16.3 cents to the price of a gallon of gasoline. However, this proposal includes additional long-term sustainable funding and includes dedicated funds.

Rationale/Background:

Minnesota cannot preserve and improve quality and performance of the state’s transportation systems under current investment levels and current infrastructure lifecycle replacement practice. The consequences of underinvesting in the state’s transportation system will include a deterioration in service, increase in congestion, failing infrastructure and diminished ability to remain economically competitive. This is because transportation systems facilitate the efficient movement of people and goods and create the opportunity for economic development, enhanced productivity, job formation and sustainable growth. Without additional investment, the transportation system will not be able to expand to accommodate expected population and job growth. In addition, alternatives to driving alone must play a larger role in satisfying growing transportation demand - roads, transit and other transportation modes must work together as one system.

Road and Bridge funding components

Inflation has overtaken revenue growth for transportation. In 2012 the Transportation Finance Advisory Committee (TFAC) determined additional funding was needed for transportation. The department faces a \$6 billion gap in revenue over the next ten years above current fund balance projections, to fund activities such as state road construction and operations and maintenance. \$4 billion is needed for preservation and modernization, and \$2 billion is needed for strategic expansion.

Without additional revenue, there will be:

- Increased deterioration of pavement and bridges on state system
 - In FY2015, 5 percent of highway pavement is considered in poor condition (rough driving surface); it is estimated to be 11 percent in 20 years
 - In FY2015, 3 percent of bridge deck pavement is considered in poor condition; it is estimated to be 8-10% in 20 years
- Very little expansion to address population and economic growth
- Reductions in products and service delivery

In addition, more operations and maintenance dollars are recommended, calculated as 10 percent of new trunk highway fund revenues. This additional funding will be spent on snow plowing, fixing pot holes and guard rails, etc. These are needed due to declining asset conditions, increased snow and ice requirements, and the need for more timely maintenance.

While the Department has always worked to be good stewards of public funds, the department has taken a more targeted approach to identify and quantify efficiencies as well as find new areas for greater efficiencies. When the Department identifies savings on current projects, we release the programmed funds to advance additional projects (examples include the 494/694 project in Plymouth and Highway 371 north of Nisswa). Under this proposal, the Department commits to finding 15 percent efficiencies of new revenues.

Special Revenue Fund - Transit

Greater Minnesota Transit has a statutory goal to meet 90 percent of the transit need by 2025. In 2015, public transit systems met 88 percent of the need, based on the demographic models developed for the recent Greater Minnesota Investment Plan. That model predicts Greater Minnesota public transit demand will increase 45 percent from 2015 to 2025, primarily due to the rapid increase in people reaching age 65. This gap of operating funds includes those needed by local service providers to deliver more service, acquire and replace buses, provide bus maintenance and storage facilities. A small portion will be used by MnDOT to administer the larger program and keep up with inflation.

Special Revenue Fund – Bike and pedestrian infrastructure, including Safe Routes to Schools

There is a need to increase access to safe options for active transportation – walking and bicycling. Statewide Bicycle System and Pedestrian System plans are in progress to identify specific future needs. Since 2005 MnDOT has received Safe Routes to School applications requesting \$120 million and has awarded approximately \$20 million in grants, illustrating the gap between current need and investment. These grants to schools, in partnership with cities and counties, implement infrastructure projects that improve safety or access for children walking or bicycling to school.

Proposal:

Road and Bridge funding components

New revenues, bonding and MnDOT efficiencies would be identified to help close the funding gap in the next ten years. The goal is an integrated transportation system that optimizes the movement of people and goods across the state. With new funding, we can:

- Improve asset management - preserve and modernize the existing system
- Expand MnPASS and bus rapid transit lanes
- Complete strategic expansion on key corridors throughout the state
- Complete Main Street improvements

The benefits for taxpayers will include:

- reduced wear and tear on their cars
- fewer stops at the fuel pump
- fewer accidents
- more time doing what they need to do

MnDOT has identified pavement and bridge needs as well as mobility projects that are not currently being addressed through its 10-year work plan. These unmet needs and projects will be given priority. These funds will provide for capital costs of construction as well as project development and engineering activities, allowing the department to utilize this funding in the most efficient manner.

Internally MnDOT will narrow the transportation funding gap by saving or avoiding costs through efficiencies, innovation and improved program and project management and thereby stretch public dollars further. Efficiencies will also be realized in the long-term asset management of the transportation system with increased benefits and savings when the right investment is made at the right time.

MnDOT proposes to utilize the increased operating appropriations for our highest-priority products and services. Some of these include:

- Snow and Ice - Keeping the roads clear of snow and ice
- System Roadway Structures Maintenance – remove potholes (Pavement repair)
- Bridges and Structures Inspection and Maintenance

Special Revenue Fund – Transit

In Greater Minnesota, MnDOT's highest priorities will be to establish service in locations without any existing public transit. Currently, many counties do not have county-wide service. Assuming all eligible locations are served by public transit, MnDOT's top priorities for service expansion include:

- Expand service hours in the morning and night to serve more trips
- Expand multi-county services to link more communities
- Provide service on more days of the week
- Expand service frequencies and coverage

Special Revenue Fund – Bike and pedestrian infrastructure, including Safe Routes to Schools

Provide safe routes infrastructure to increase access to safe options for active transportation in communities across Minnesota. Safe routes for bicyclists and pedestrians are the most effective way to increase walking and bicycling. Safe bicycle and pedestrian access to schools for Minnesota children has numerous benefits including reducing congestion around schools, reducing school transportation costs, and providing an opportunity for physical activity which decreases obesity, improves health and supports academic achievement.

IT Related Proposals:

N/A

Results:

Road and Bridge funding components

MnDOT would plan to rehabilitate the system for the 21st century by:

- Improving 1,700 center lane additional miles of pavement
- Repairing or replacing an additional 235 bridges, such as Robert St bridge over Mississippi River in St Paul
- Accelerate progress toward state goal of zero highway deaths with targeted installation of rumble strips, median barriers, lighting and other safety improvements. The Minnesota Toward Zero Death program has helped decrease traffic fatalities on Minnesota roads by 40.5% - saving an estimated 2,046 lives since 2003
- Keep roadside infrastructure in a state of good repair.

In addition, MnDOT has operating performance measures that will be impacted by this proposal. All are anticipated to decline without additional funding; and this would reduce the decline. They include:

- Snow Plowing Performance – meet clearance targets
- Smooth Roads – percent of pavement patching addressed
- Percent of projects let in the year scheduled

Special Revenue Fund – Transit

The additional funding allows the State to meet 90% of projected need for Greater Minnesota transit by 2025 by increasing transit service by nearly 500,000 service hours.

Special Revenue Fund – Bike and pedestrian infrastructure, including Safe Routes to Schools

Additional bicycle infrastructure investments would focus on local bicycle networks via local planning assistance with partners. Expanding the State Bikeways Systems (e.g. Mississippi River Trail) and investing in local network connection projects would also be prioritized.

Additional pedestrian infrastructure investments will improve the condition of existing infrastructure (sidewalks, pedestrian bridges, traffic signals, etc.), and fill gaps in the sidewalk network.

Increasing the Safe Routes to Schools investment would provide safer walking and biking to school options for thousands of school students.

Program: Tax System Management

www.revenue.state.mn.us

AT A GLANCE

In 2015, the Minnesota Department of Revenue:

- Processed 2.9 million individual income tax returns
- Collected \$21.3 billion in state tax and fee revenue
- Interacted with 680,000 corporations, S corporations, partnerships, and other businesses
- Issued 830,000 property tax refunds
- Helped 160,000 businesses collect sales tax
- Held 48 community outreach events, connecting with over 12,000 customers, many representing minority or low-income communities
- Provided over 150 free classes for business taxpayers and tax preparers
- Attended 7 events for military service members and families to promote their eligibility for tax benefits

PURPOSE & CONTEXT

The Department of Revenue (DOR) Tax System Management program provides the technology and human resources needed to administer tax laws.

The program provides tax information and education, filing and paying services, property tax and state aid administration, and tax enforcement.

These Tax System Management activities help ensure that individuals, businesses, and policymakers have:

- Information and services they need to accurately, voluntarily, and conveniently fulfill their tax filing and paying obligations
- Confidence that everyone reports, pays and receives the right amount: no more or no less
- Accurate, impartial, and complete information to make informed decisions

SERVICES PROVIDED

DOR's Tax Management System is responsible for collecting over \$20 billion each year to fund essential services to Minnesotans including: local government and school district aid; services for children, families and seniors; early childhood, K-12, and higher education; health and human services; transportation; public safety; environmental, energy, and agricultural programs; and other important services.

Minnesota's tax system is fueled by the vast majority of people who voluntarily file and pay on time, and who rely on DOR for education and outreach; a robust and reliable filing system; and confidence in the system. When taxpayers do not meet their obligations under the law, DOR works to bring them into compliance through collection and enforcement efforts.

The department provides a variety of services in the Tax System Management program including: administration of state taxes; tax payment and return processing; appeals, legal services, and tax research; property tax administration and state aids; operational support; and technology development, implementation, and support. Each service is outlined below.

Administration of State Taxes

These services provide our customers with information and service; they also include enforcement efforts such as fraud prevention, audits and investigations.

State taxes include the income tax; sales and use tax; corporate franchise tax; estate tax; motor fuels excise tax; alcoholic beverage taxes; cigarette tax; tobacco products tax; controlled substances tax; mortgage registry tax; deed transfer tax; bingo, raffle and paddlewheel tax; combined receipts tax; sports bookmaking tax; insurance premium taxes; MinnesotaCare taxes; mining occupation tax; mining net proceeds tax; state property tax; air flight property tax; rural electric co-ops; and the solid waste management tax.

DOR serves a wide range of customers including, but not limited to, Minnesota individual and business taxpayers, tax professionals and preparers, local tax administrators, legislators and staff, non-profit groups, governor and staff, and members of the news media.

Key tax administration activities include:

- Providing customers with the information and services they need to voluntarily comply with tax laws
- Keeping pace with changing technology and laws
- Responding to customer inquiries, in the format desired by the taxpayer (walk-in, call-in, and click-in)
- Protecting customer data
- Effectively using state resources to appropriately identify and audit noncompliant taxpayers (individual and business)

Tax Payment and Return Processing

These services involve reviewing and processing paper and electronic tax returns, refunds, and payments submitted to DOR. This activity serves individual and business taxpayers, and other state agencies.

Key payment and return processing emphases include:

- Keeping pace with changing technology and fraud schemes
- Providing safe, secure, and convenient ways for filing and paying
- Accurately reviewing and processing returns, payments, and refunds
- Checking returns to prevent fraudulent returns and refunds
- Processing payments and deposits in a timely manner

Appeals, Legal Services and Tax Research

These activities include:

- Providing tax policy advice to audit and collection divisions
- Analyzing proposed tax legislation and providing revenue estimates of proposed law changes
- Working with customers to review and resolve tax appeals
- Providing government officials with the research information they need to make decisions on tax law and policy
- Providing timely and accurate support and advice on tax-related legislation
- Providing legal direction and assistance to ensure the agency complies with state and federal laws and rules
- Representing the agency in court and administrative hearings

Appeals, Legal Services, and Research serve customers including, but not limited to, individual and business taxpayers, tax administrators, governor and staff, legislators and staff, state agencies, local governments, and nonprofit organizations.

Property Tax Administration and State Aids

These services include the oversight and administration of Minnesota's property tax system. Although counties are responsible for the direct administration of property taxes, DOR oversees and supports the property tax system by:

- Providing education, guidance, and assistance to county assessors, auditors, and treasurers
- Overseeing local property tax administration to promote compliance and uniformity
- Administering a range of local aid payments
- Collecting, analyzing, and providing data to stakeholders
- Supporting the Minnesota State Board of Assessors

Property Tax Administration and State Aids serve customers including, but not limited to, taxpayers, local administrators, and state policymakers. These activities promote equity and uniformity throughout the state's complex property tax system.

Operational Support

These services provide the overall strategic and day-to-day operational functions needed to support the agency. Activities include department leadership, human resource management, facilities management, strategic organizational planning and project management, financial management and budgeting, performance reporting, taxpayer rights advocacy, external communications, internal employee communications, and training.

Operational Support serves all department employees, individual and business taxpayers, tax administrators, the governor and staff, legislators and staff, state agencies, and local governments.

Technology Development, Implementation and Support

DOR leverages strategic investments in technology to meet the agency's mission, vision, and strategies. In particular, investments in the Integrated Tax System and security are key priorities.

Information technology (IT) functions are provided under a service agreement with MN.IT Services. MN.IT@Revenue provides DOR with hardware, software, and information technology professionals to implement, run, and maintain the hardware and software needed to administer the tax code.

This activity serves all DOR employees and external customers of the agency by providing technology solutions that facilitate tax administration, provide for security of taxpayer data, and support continuous business improvements in taxpayer services.

RESULTS

Type of Measure	Name of Measure	Previous	Current
Result	A. Percentage of customers that file and pay on time	92.9%	92.7%
Result	B. Percentage of customers that file their tax returns electronically	81.0%	82.0%
Quantity	C. Website visits (monthly average)	469,000	486,000
Quantity	D. Outreach and educational activities	292	(est.) 275
Quantity	E. Incoming customer phone calls	713,000	765,000
Quantity	F. Revenue analyses prepared by Tax Research and Property Tax Research	951	979
Result	G. Employee turnover rate	4.7%	5.6%
Quality	H. Percentage of customers who resolved their appeal with the department without appealing to tax court	96.0%	97.6%
Result	I. Tax types that customers can file electronically	42.0%	53.0%
Quantity	J. Total returns processed (all tax types)	5.9 million	5.8 million

Notes

- A. *Percentage of customers that file and pay on time*: (Previous is CY14; Current is CY15).
- B. *Percentage of customers that file their tax returns electronically*: (Previous is CY14; Current is CY15).
- C. *Website visits*: Number of visits per month to DOR website (Previous is CY14, Current is CY15).
- D. *Outreach and educational activities*: Number of outreach and educational activities, including educational classes, conference calls, television shows, and outreach events (Previous is CY15, Current is estimated CY16).
- E. *Incoming customer phone calls*: Number of phone calls received by DOR employees (Previous is CY14, Current is CY15).
- F. *Revenue analyses prepared by the Research Division and Property Tax Divisions*: The number of revenue analyses prepared by both Research and Property Tax in connection with tax legislation. This includes revenue analyses prepared without connecting legislation (Previous is FY13-14, current is FY15-16).
- G. *Employee turnover rate*: Percentage of DOR employees that leave each year (Previous is FY15, Current is FY16).
- H. *Percentage of customers who resolved their appeal with DOR without appealing to tax court*: (Previous is FY14, Current is FY15).
- I. *Tax types that customers can file electronically*: Percentage of state tax types that customers can completely file their returns electronically (Previous is FY13-14, Current is FY15-16).
- J. *Total returns processed*: The total number of returns processed, across all tax types (Previous is CY14, Current is CY15).

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	108,251	108,589	104,845	121,277	114,742	114,742	126,430	132,317
2000 - Restrict Misc Special Revenue	4,016	4,069	2,977	3,799	4,130	4,140	4,226	4,238
2360 - Health Care Access	1,569	1,893	1,597	1,901	1,749	1,749	1,749	1,749
2710 - Highway Users Tax Distribution	2,028	2,286	2,040	2,326	2,183	2,183	2,417	2,405
2800 - Environmental	274	295	289	317	303	303	303	303
Total	116,136	117,132	111,748	129,620	123,107	123,117	135,125	141,012
<i>Biennial Change</i>				8,100		4,855		34,768
<i>Biennial % Change</i>				3		2		14
<i>Governor's Change from Base</i>								29,913
<i>Governor's % Change from Base</i>								12

Expenditures by Budget Activity

Budget Activity: Tax System Management	116,136	117,132	111,748	129,620	123,107	123,117	135,125	141,012
Total	116,136	117,132	111,748	129,620	123,107	123,117	135,125	141,012

Expenditures by Category

Compensation	82,344	80,356	79,890	87,902	85,499	85,598	93,841	99,171
Operating Expenses	32,977	35,194	31,335	41,107	37,108	37,019	40,784	41,341
Other Financial Transactions	130	963	122	210	100	100	100	100
Grants, Aids and Subsidies	700	401	399	401	400	400	400	400
Capital Outlay-Real Property	(15)	217	3	0	0	0	0	0
Total	116,136	117,132	111,748	129,620	123,107	123,117	135,125	141,012

Full-Time Equivalents

	1,121.3	1,037.7	994.9	1,021.9	951.2	918.2	1,063.7	1,086.8
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1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	2,357	0	6,720	0	0	0	0
Direct Appropriation	110,697	109,261	111,612	114,619	114,792	114,792	126,480	132,367
Net Transfers	(51)	(1,781)	(47)	(63)	(50)	(50)	(50)	(50)
Cancellations	32	1,248	0	0	0	0	0	0
Expenditures	108,251	108,589	104,845	121,277	114,742	114,742	126,430	132,317
Balance Forward Out	2,364	0	6,720	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				9,282		3,362		32,625
<i>Biennial % Change in Expenditures</i>				4		1		14
<i>Gov's Exp Change from Base</i>								29,263
<i>Gov's Exp % Change from Base</i>								13
Full-Time Equivalents	1,054.1	967.8	931.5	950.1	886.3	853.4	994.3	1,017.5

2000 - Restrict Misc Special Revenue

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	3,341	2,864	2,568	3,528	3,463	3,068	3,463	3,070
Receipts	3,539	3,752	3,937	3,735	3,735	3,735	3,833	3,835
Net Transfers	0	(85)	0	0	0	0	0	0
Expenditures	4,016	4,069	2,977	3,799	4,130	4,140	4,226	4,238
Balance Forward Out	2,864	2,462	3,528	3,463	3,068	2,663	3,070	2,667
<i>Biennial Change in Expenditures</i>				(1,309)		1,494		1,688
<i>Biennial % Change in Expenditures</i>				(16)		22		25
<i>Gov's Exp Change from Base</i>								194
<i>Gov's Exp % Change from Base</i>								2
Full-Time Equivalents	28.3	27.7	21.4	28.7	22.8	22.7	24.3	24.2

2360 - Health Care Access

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	180	0	152	0	0	0	0
Direct Appropriation	1,749	1,749	1,749	1,749	1,749	1,749	1,749	1,749
Cancellations	0	36	0	0	0	0	0	0
Expenditures	1,569	1,893	1,597	1,901	1,749	1,749	1,749	1,749
Balance Forward Out	180	0	152	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				36		(1)		(1)

2360 - Health Care Access

<i>Biennial % Change in Expenditures</i>				1		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	18.4	19.1	17.4	18.5	17.4	17.4	17.4	17.4

2710 - Highway Users Tax Distribution

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
Balance Forward In	0	156	0	143	0	0	0	0
Direct Appropriation	2,183	2,183	2,183	2,183	2,183	2,183	2,417	2,405
Cancellations	0	53	0	0	0	0	0	0
Expenditures	2,028	2,286	2,040	2,326	2,183	2,183	2,417	2,405
Balance Forward Out	155	0	143	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				53		0		456
<i>Biennial % Change in Expenditures</i>				1		0		10
<i>Gov's Exp Change from Base</i>								456
<i>Gov's Exp % Change from Base</i>								10
Full-Time Equivalents	17.0	19.9	21.3	21.3	21.3	21.3	24.3	24.3

2800 - Environmental

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecast Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
Balance Forward In	0	29	0	14	0	0	0	0
Direct Appropriation	303	303	303	303	303	303	303	303
Cancellations	0	38	0	0	0	0	0	0
Expenditures	274	295	289	317	303	303	303	303
Balance Forward Out	29	0	14	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				38		0		0
<i>Biennial % Change in Expenditures</i>				7		0		0
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	3.5	3.2	3.4	3.4	3.4	3.4	3.4	3.4

Program: Debt Collection Management

www.revenue.state.mn.us

AT A GLANCE

- AT A GLANCE
- The Minnesota Department of Revenue:
- Provides an efficient and effective centralized program for collecting debt owed to public agencies
- Collects debts owed to other government agencies in Minnesota – \$46.1 million last year (FY16)
- Collects court debt owed to Minnesota’s 87 counties – \$11.6 million last year (FY16)
- Resolved 214,035 tax debt cases last year (FY16)
- Sets up payment plans for those who cannot pay their debt all at once (96,000 payment plans in 2015)
- Handles over 50,000 emails and letters each year from customers who owe debt (FY16)
- Answers over 260,000 incoming phone calls each year from customers who owe debt (FY16)

PURPOSE & CONTEXT

The Department of Revenue (DOR) Debt Collection Management program collects tax debts and other debts owed to public agencies in the state. DOR facilitates all aspects of debt collection making it more efficient for government as a whole by centralizing the work instead of duplicating it in each agency.

This centralized approach also makes it easier for a debtor who may owe debt to multiple agencies by providing a one-stop resolution center to settle their state government debts. We help people who owe understand their obligations and work to set up payment plans when appropriate.

DOR started collecting non-tax debts for other state agencies in 1995, when legislation centralized debt collection services. In 2008, new legislation allowed local governments to refer their debts to DOR. We now collect 171 types of fees, fines, taxes, and payments for a range of public agencies, including:

- **36 State Agencies:** Including the departments of Agriculture, Corrections, Commerce, Employment and Economic Development, Health, Human Services, Labor and Industry, Military Affairs, Natural Resources, Public Safety, Revenue, Transportation, Veterans Affairs, and the Pollution Control Agency
- **10 Judicial Districts:** District Courts in each of the state’s 87 counties, which are divided among 10 judicial districts for administrative purposes
- **6 Independent State Government Entities:** Attorney General’s Office, Secretary of State’s Office, Minnesota Indian Affairs Council, Minnesota Office of Higher Education, Minnesota State Lottery, and Minnesota State colleges and universities
- **4 State Boards:** State Campaign Finance Disclosure Board, Minnesota Client Security Board, Iron Range Resource Rehabilitation Board, and State Veterans Home Board
- **2 Public Employee Retirement Agencies:** Minnesota State Retirement System and Public Employees Retirement Association
- **Local Governments:** County human or social services agencies, local or county hospitals and ambulance services

SERVICES PROVIDED

Collection Process

When a debt is not paid to Minnesota, a state agency, or a local jurisdiction, that debt is referred to DOR. The collection process begins with DOR sending the customer a notice with details on the debt, their rights, and how they can resolve the debt. Many customers work with us at this point to resolve their debt by making a full payment or by setting up a payment plan. If the customer fails to respond to the written notice, DOR takes actions to collect the debt.

The department ensures that everyone reports, pays, and receives the right amount by:

- Printing letters, processing payments and returns, registering customers in the system, making financial adjustments, and handling and distributing incoming correspondence
- Reconciling accounts and issuing payments to banks, the general fund, and other agencies
- Issuing legal opinions, providing representation on legal matters, resolving internal and tax court appeals and administrative hearings
- Programming the technical systems needed to track and process debts
- Protecting customer data
- Communicating and reaching out to the public through direct and digital communication and in the news media

Helping Customers

A large part of DOR’s role is helping customers understand their obligation and working to get – and keep – them in compliance. To do that, DOR provides education and outreach to customers through training and education events, informational literature, videos, website, marketing, and more. We work with customers who cannot pay their debt all at once to set up payment plans; we set up 96,000 payment plans in 2015.

DOR interacts with customers in a variety of ways. In fiscal year 2016, our collection staff handled:

- 262,120 telephone calls
- 2,092 walk-in customers
- 11,716 customer emails
- 4,439 emails from other agencies
- 41,466 letters from customers

Revenue Recapture

DOR also administers the Revenue Recapture program, which allows other government agencies, municipal hospitals, and ambulances to file a claim with DOR for an amount owed to them. Once a claim is filed, DOR will remit (“offset”) the amount due to the agency from the debtor’s individual income tax refund. Last year, agencies using Revenue Recapture reclaimed \$79.8 million for these client agencies.

RESULTS

<i>Performance Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Trend</i>
A. Accounts Receivable Tax Debt Revenue Collected	\$271.4 million	\$271.2 million	Stable
B. Accounts Receivable Other Agency Debt Revenue Collected	\$49 million	\$46 million	Decreasing

Notes

- A. *Accounts Receivable Tax Debt Collected*: The amount of dollars collected and applied to the total delinquent tax debt owed. (Previous is FY15; Current is FY16)
- B. *Accounts Receivable Other Agency Debt Revenue Collected*: The amount of dollars collected and applied to the total delinquent other agency debt owed. This includes the fee amount that is transferred to the general fund. (Previous is FY15; Current is FY16)

Expenditures By Fund

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
1000 - General	28,716	29,387	27,761	32,293	30,516	30,516	30,516	30,516
2000 - Restrict Misc Special Revenue	657	865	698	828	980	985	980	985
Total	29,374	30,252	28,459	33,121	31,496	31,501	31,496	31,501
<i>Biennial Change</i>				1,954		1,417		1,417
<i>Biennial % Change</i>				3		2		2
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Budget Activity

Budget Activity: Debt Collection Management	29,374	30,252	28,459	33,121	31,496	31,501	31,496	31,501
Total	29,374	30,252	28,459	33,121	31,496	31,501	31,496	31,501

Expenditures by Category

Compensation	25,084	24,965	24,252	25,187	22,817	22,835	22,817	22,835
Operating Expenses	4,288	5,284	4,164	7,935	8,679	8,666	8,679	8,666
Other Financial Transactions	2	4	11	0	0	0	0	0
Capital Outlay-Real Property	0	0	31	0	0	0	0	0
Total	29,374	30,252	28,459	33,121	31,496	31,501	31,496	31,501

Full-Time Equivalents

	390.7	355.5	328.3	329.3	310.9	300.1	310.9	300.1
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1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	1,107	0	1,777	0	0	0	0
Direct Appropriation	28,616	28,616	28,616	28,616	28,616	28,616	28,616	28,616
Open Appropriation	1,198	978	922	1,900	1,900	1,900	1,900	1,900
Net Transfers	0	(1,163)	0	0	0	0	0	0
Cancellations	0	152	0	0	0	0	0	0
Expenditures	28,716	29,387	27,761	32,293	30,516	30,516	30,516	30,516
Balance Forward Out	1,098	0	1,777	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				1,951		978		978
<i>Biennial % Change in Expenditures</i>				3		2		2
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	382.0	347.3	319.3	319.3	301.9	291.1	301.9	291.1

2000 - Restrict Misc Special Revenue

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	252	572	681	964	1,115	1,115	1,115	1,115
Receipts	977	989	980	980	980	980	980	980
Net Transfers	0	(15)	0	0	0	0	0	0
Expenditures	657	865	698	828	980	985	980	985
Balance Forward Out	571	681	964	1,115	1,115	1,110	1,115	1,110
<i>Biennial Change in Expenditures</i>				3		439		439
<i>Biennial % Change in Expenditures</i>				0		29		29
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0
Full-Time Equivalents	8.7	8.3	9.0	10.0	9.0	9.0	9.0	9.0