



General Government Subcommittee  
House Appropriations Committee  
January 20, 2009

# Budget Agenda

- Budget Overview
- Recent Budget Reductions
- Compliance Initiative
- Relocate staff from 2220 W. Broad St.

# FY09 Budget Overview

## – as of July 1, 2008

Category	Budget	Percent of Total Spending
Salary & Benefits	\$57,114,991	65%
VITA	\$11,104,273	13%
Wage & Contract Employees	\$8,589,981	10%
Printing, Postage, Rent, & Compliance Travel	7,246,869	8%
All other (Hardware & Software Maintenance, Insurance, etc)	\$3,701,948	4%
Chapter 879	\$87,758,062	100%

# Recent Budget Reductions

- **Total Reductions in FY08 - FY09 = \$9.2 Million**
  - \$5.5 Million in FY 2008
  - \$3.7 Million in FY 2009
- **Between FY 2004 – FY 2007, budget was reduced by \$5.4 Million for “VITA Savings”**
  - However cost have remained consistent
  - Also additional \$685,802 reduced in FY08

# October 2008 Reduction Plan

Description	FY 2009	FY 2010
Delay Processing Paper Returns	\$75,752	\$151,504
Reduce Technology Cost	\$1,716,000	\$1,766,000
Reduce Non Personal Cost (Training, Security, etc)	\$727,963	\$770,139
Eliminate 14 Wage Employees, Vacancy Savings, and Layoffs	\$445,248	\$750,179
Recover Communication Tax & Railroad & Pipeline Cost	\$115,855	\$115,855
Total Reduction Plan	\$3,080,818	\$3,553,677
Total Transfers to the General Fund (Court Debt & Land Preservation)	\$1,000,000	\$1,000,000

# Compliance Initiative

- **Revenue Impact**
  - New Revenue of \$23 Million by FY10
  - New Revenue of \$80 Million by FY12
- **Source of Revenue**
  - Expand current Desk Audit programs
  - Implement new Initiatives
  - Expand collection efforts for both Business and Individual Accounts
- **Hire 55 New Employees**
  - 42 Employees have been hired
  - All employees will be hired before June 30, 2009
  - Cost \$1.2 Million in FY09 & \$4.6 Million in FY10

# Renovation & Move Funding

- **Special Session – April 2008**
  - Authority for DGS to purchase MSC
  - Authority for DGS to build a new Tax Processing building on the land at 2220 West Broad Street
- **Will relocate all employees currently at our 2220 building to MSC**
  - Will cost \$2 Million
  - Cost estimates prepared by DGS, VITA, TAX, and a professional architectural firm (Ballou, Justice, and Upton).

# Questions