

**Tax Commission: Fiscal Year 2021 Base Budget Reduction Scenarios - Service Considerations**

Business, Economic Development, and Labor Appropriations Subcommittee

May 2020

Note: To maintain service levels at different reductions, the Tax Commission has requested additional expenditure for overtime. Based on surveys within the Tax Commission, they would be willing to increase workload hours during these reductions

ONGOING

	Item	Agency	Amount		Notes	Requires Statute Change
			Ongoing	One-time		
1	Overtime - Property Tax Division	Tax Commission	\$80,000			No
	Subtotal 2%:		\$80,000			
2	Overtime - Taxpayer Services	Tax Commission	\$80,000			No
3	Overtime - Auditing Division	Tax Commission	\$80,000			No
	Subtotal 5%:		\$240,000			
5	Overtime - Taxpayer Services	Tax Commission	\$30,000			No
6	Overtime - Auditing Division	Tax Commission	\$40,000			No
	Subtotal 10%:		\$310,000			

Alcoholic Beverage Control BEDL: Fiscal Year 2021 Base Budget Reduction Scenarios

DABC  
May 2020

Total: \$57,744,600      **2%**      **5%**      **10%**  
**Targets:**      \$1,154,900      \$2,887,200      \$5,774,500

	Agency	Item	Threshold	Amount		Notes	Requires Statute
				Ongoing	One-time		Change
1	DABC	Reduction in staff - stores	2%		(\$347,800)		
2	DABC	Warehouse Savings - Equipment Replacement	2%		(\$190,000)		
3	DABC	Warehouse Savings - ASRS equipment	2%		(\$50,000)		
4	DABC	IT, Store Infrastructure Saving	2%		(\$349,000)		
	<b>Subtotal 2%</b>			\$0	(\$936,800)		
5	DABC	Incentive awards	5%		(\$73,831)		
	<b>Subtotal 10%</b>			\$0	<b>(\$1,010,631)</b>		

	One-Time		Amount			Requires Statute Change
	Item	Agency	Ongoing	One-time	Notes	
1	Consumer Protection Ed Fund (Year end sweep)	Commerce		\$2,300,000		No (Pending Sweep August 2021)
2	Residence Lien Recovery Fund	Commerce		\$1,300,000		No
3	Uniform Building Code / Land Use Training	Commerce		\$300,000		No
4	Utility Technical Funds beginning Balance	Commerce		\$900,000		No
5	Opioid Litigation 2021 Beg. Balance	Commerce		\$400,000		No
6	Elimination of Office of Consumer Services		\$1,980,500		An idea that's gathered traction in the last few years. Definitely some overlap with other agencies. Technically uses PURF, but the cut would go over the cap. I could also discuss a significant scale down if possible. Potential losses of \$1,828,675 in ongoing revenue if program is eliminated, suggesting potential one-time savings before a drop in GF. 6 FTEs. This includes 2 items from the main list and requires statutory change to freeze rates or else this is one-time money.	Yes
	Subtotal:		\$1,980,500	\$5,200,000		

Insurance

One-Time					Requires
	Item	Agency	Amount		Statute
			Ongoing	One-time	Change
1	Increase in Electronic Commerce Fee (\$5 to \$10)	Insurance	\$500,000		Could be an increase of up to \$680,000 Insurers would most likely not be opposed to paying, but insurers could be in a precarious situation. Yes
2	Captive Insurance Fee Increase (\$5,000 to \$6,000)		\$370,000		Current lowest fee in the nation. One of few states that has a flat fee Yes
3	Technology Development Balance Sweep	Insurance		(\$438,900)	No
	Subtotal:		\$870,000	(\$438,900)	Notes

Note: Could potentially change Annual Insurer's Fee.  
These haven't changed since 2002

Public Service Commission: Fiscal Year 2021 Base Budget Reduction Scenarios  
 Business, Economic Development, and Labor Appropriations Subcommittee  
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Note: The PSC is currently funded through the PURF which isn't part of our standard that we use for these reduction scenarios. I have a spreadsheet of information for potential scenarios which would, after the 2% scenario, start cutting jobs. Much like commerce, we would need to work with them to freeze rates so the amounts over the cap would remain consistent. Rates currently change each year based on demand from PSC and Commerce

ONE-TIME

Item	Agency	Amount		Notes	Requires Statute Change
		Ongoing	One-time		No
Non-Lapsing Balances	Public Service Commission		\$400,000		
Subtotal:		\$0	\$400,000		

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Financial Institutions: Fiscal Year 2021 Base Budget Reduction Scenarios  
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Note: Financial Institutions doesn't fit in this exercise. It is funded entirely through a separate account. That account does not have any cap. If we initiate statutory changes, we can take a portion one-time. Fees have been adjusted down in recent years in an attempt to start depleting the balance.

ONE-TIME

Item	Agency	Amount		Notes	Requires Statute Change
		Ongoing	One-time		
GFR Balance	Financial Institutions		\$5,000,000	Not Approved by Financial Institutions. Would require statute change. Currently \$10 million in the restricted account	Yes
Subtotal:		\$0	\$5,000,000		