

Representative Jim Fannin
Chairman



Representative Simone Champagne
Vice Chairman

FY 13-14 Executive Budget Review DEPARTMENT OF REVENUE

House Committee on Appropriations

by House Fiscal Division

March 21, 2013



Agenda

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Department Structure

Office of Revenue

- Tax Collection
- Alcohol and Tobacco Control
 - Administrative and Certification Division
 - Enforcement Division
- Office of Charitable Gaming
 - Administration Section
 - Licensing Section
 - Audit Section



Means of Finance

Means of Finance	Actual Expenditures FY 11-12	Existing Operating Budget FY 12-13 (12/1/12)	Executive Budget Recommended FY 13-14	Change from FY12-13 to FY13-14	Percent Change from FY12-13 to FY13-14
State General Fund	\$0	\$61,864	\$0	(\$61,864)	-100.0%
Interagency Transfers	\$338,219	\$347,300	\$321,300	(\$26,000)	-7.5%
Fees and Self-Gen Rev	\$82,838,735	\$94,989,819	\$80,392,436	(\$14,597,383)	-15.4%
Statutory Dedications	\$671,751	\$705,041	\$647,928	(\$57,113)	-8.1%
Federal Funds	\$329,395	\$883,007	\$883,007	\$0	0.0%
TOTAL	\$84,178,100	\$96,987,031	\$82,244,671	(\$14,742,360)	-15.2%
Authorized Positions	802	792	689	(103)	-13.0%

Self-generated Revenues

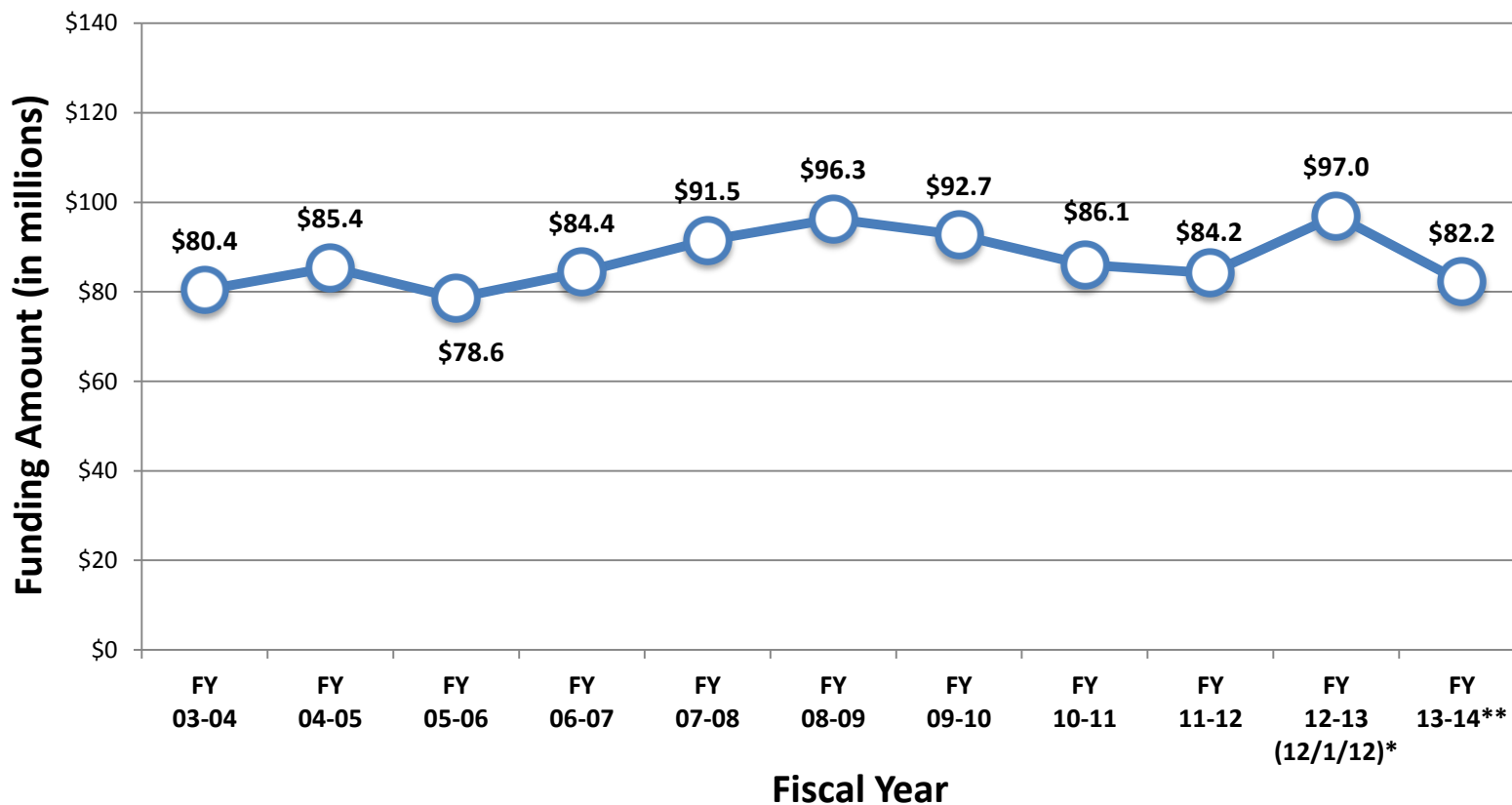
- Decrease is due to personnel reductions, non-recurred carryforwards, closure of district offices, and reductions for various department expenditures including travel, operating services, supplies, professional services and other charges.
 - Eliminates 57 T.O. and 11 Non-T.O. positions and associated funding
 - Transfers 46 T.O. to the Division of Administration for consolidation purposes. There is no funding associated with the transfer.



10-Year Budget History

DEPARTMENT OF REVENUE

(Total Means of Finance)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/12

**Governor's Executive Budget Recommendation



Department of Revenue Agency Budget Comparisons

Total Means of Financing

Agencies	FY 12-13	FY 13-14	Difference
Tax Collection	\$86,997,538	\$74,069,648	(\$12,927,890)
Alcohol and Tobacco	\$7,461,560	\$6,277,370	(\$1,184,190)
Office of Charitable Gaming	\$2,527,933	\$1,897,653	(\$630,280)
TOTAL	\$96,987,031	\$82,244,671	(\$14,742,360)



Major Sources of Revenues FY 13-14

Self-generated Revenues - \$80.4 million

- Late payment/delinquent fees, and negligence fees.
- Fees assessed to the alcohol and tobacco industry through the required purchase of various licenses, permits, and fines for violations.



Expenditure Breakdown

Expenditures	FY 11-12 Actual Expenditures	FY 12-13 Existing Operating Budget (12/1/12)	FY 13-14 Executive Budget Recommendation	Change from FY 12-13 to FY 13-14	Percent Change from FY12-13 to FY13-14
Salaries	\$38,139,120	\$39,251,562	\$34,221,493	(\$5,030,069)	-12.8%
Other Compensation	\$1,976,888	\$2,498,801	\$1,103,256	(\$1,395,545)	-55.8%
Related Benefits	\$18,364,625	\$19,068,603	\$17,026,348	(\$2,042,255)	-10.7%
Travel	\$637,313	\$974,916	\$656,785	(\$318,131)	-32.6%
Operating Services	\$9,219,138	\$11,409,235	\$10,815,312	(\$593,923)	-5.2%
Supplies	\$373,098	\$578,585	\$461,390	(\$117,195)	-20.3%
Prof Srvcs	\$1,389,972	\$5,027,449	\$2,035,667	(\$2,991,782)	-59.5%
Other Charges	\$12,319,996	\$15,901,115	\$14,945,864	(\$955,251)	-6.0%
Acq/Major Repairs	\$1,757,950	\$2,276,765	\$978,556	(\$1,298,209)	-57.0%
Unallotted	\$0	\$0	\$0	\$0	0.0%
TOTAL EXP	\$84,178,100	\$96,987,031	\$82,244,671	(\$14,742,360)	-15.2%

Salaries, Other Compensation and Related Benefits: Reduction of 57 T.O. and 11 Non-T.O. FTE

Travel and Supplies: Decreased due to reduction in personnel and closure of district offices

Professional Services: Decrease due to suspension of information system upgrades pending the outcome of the tax reform legislation and back office consolidation

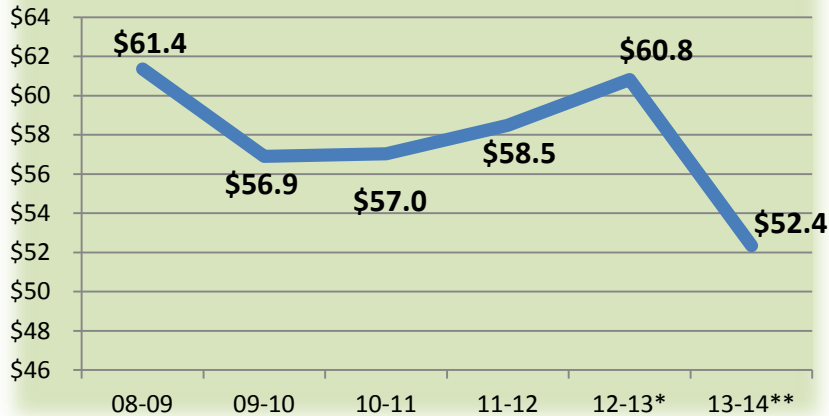
Other Charges : Decrease due to suspension of tax system upgrades pending the outcome of tax reform legislation

Acquisitions and Major Repairs: Non-recurred funding for software upgrades for Vista Capture processing system

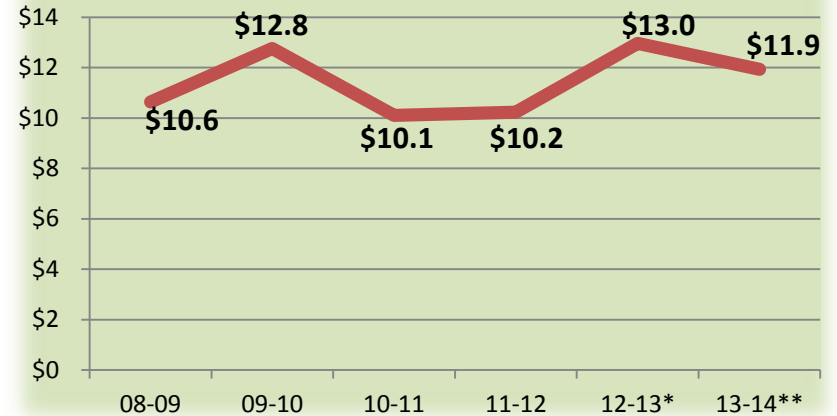


6-Year Expenditure History (in millions)

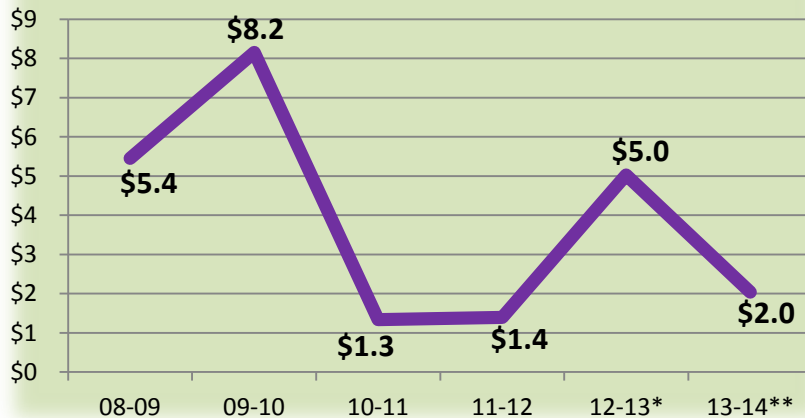
Personal Services



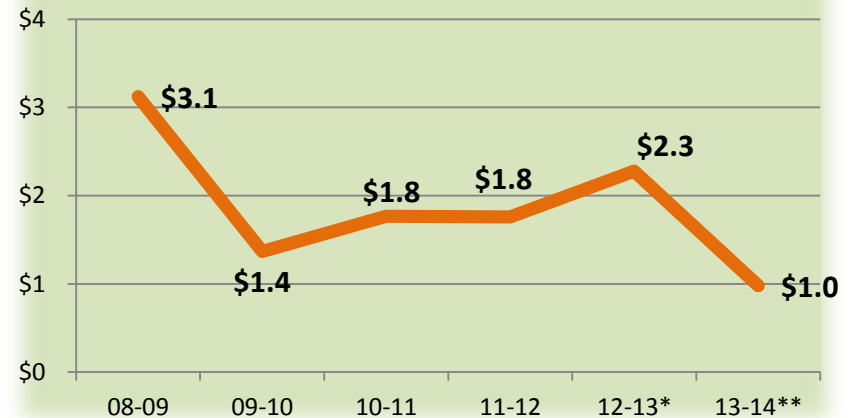
Operating Expenses



Professional Services

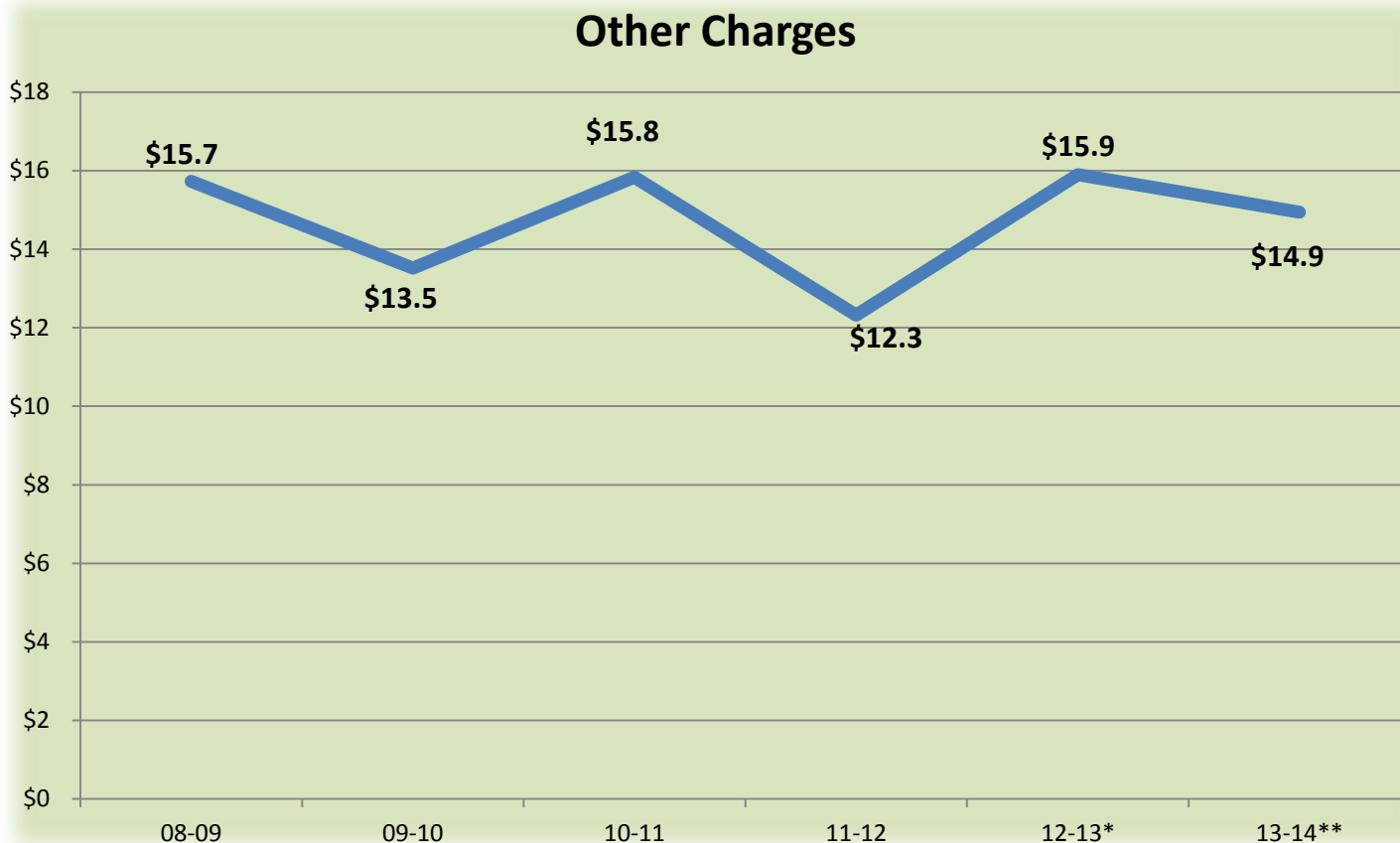


Acquisitions & Major Repairs





6-Year Expenditure History (in millions)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/12

**Governor's Executive Budget Recommendation



Significant Adjustments

Reduces funding for personnel reductions. Eliminates 57 T.O. and 11 Non-T.O. and associated funding.

\$0	SGF		\$0	IAT		(\$5,519,455)	SGR		\$0	SD		\$0	FED		TOTAL	(\$5,519,455)
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Reduces funding for various departmental expenditures including travel, operating services, supplies, professional services, and other charges.

\$0	SGF		\$0	IAT		(\$3,603,444)	SGR		\$0	SD		\$0	FED		TOTAL	(\$3,603,444)
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Non-recurs one-time funding for software upgrades.

\$0	SGF		\$0	IAT		(\$1,800,000)	SGR		\$0	SD		\$0	FED		TOTAL	(\$1,800,000)
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Non-recurs funding for non-recurring carryforwards.

\$0	SGF		\$0	IAT		(\$1,563,301)	SGR		\$0	SD		\$0	FED		TOTAL	(\$1,563,301)
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Reduces funding to statewide adjustments which includes state employees' retirement system base adjustment, group insurance rate adjustment for active employees and retirees, attrition and maintenance in state owned buildings.

\$0	SGF		\$0	IAT		(\$1,030,324)	SGR		(\$57,113)	SD		\$0	FED		TOTAL	(\$1,087,437)
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Reduces funding associated with the closure of district and regional offices. The closures are in Dallas, Houston, Lake Charles, Alexandria, Monroe, Shreveport and Lafayette.

\$0	SGF		\$0	IAT		(\$844,665)	SGR		\$0	SD		\$0	FED		TOTAL	(\$844,665)
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Discretionary/Nondiscretionary Funding in FY 13-14 Executive Budget

**Revenue Total Budget
\$82.2 Million**



Category	Nondiscretionary Amount
Constitutionally Required	\$0
Court Orders	\$0
Debt Service	\$3,953,049
Federal Mandate	\$0
Statutory Obligation	\$728,921
Legislative Discretion	\$0
Unavoidable Obligations	\$4,557,381
TOTAL	\$9,239,351



Discretionary/Nondiscretionary Funding in FY 13-14 Executive Budget

Program	Discretionary	Nondiscretionary
Tax Collection	\$65,000,722	\$9,068,926
Alcohol and Tobacco Control	\$6,106,945	\$170,425
Office of Charitable Gaming	\$1,897,653	\$0
TOTAL	\$73,005,320	\$9,239,351



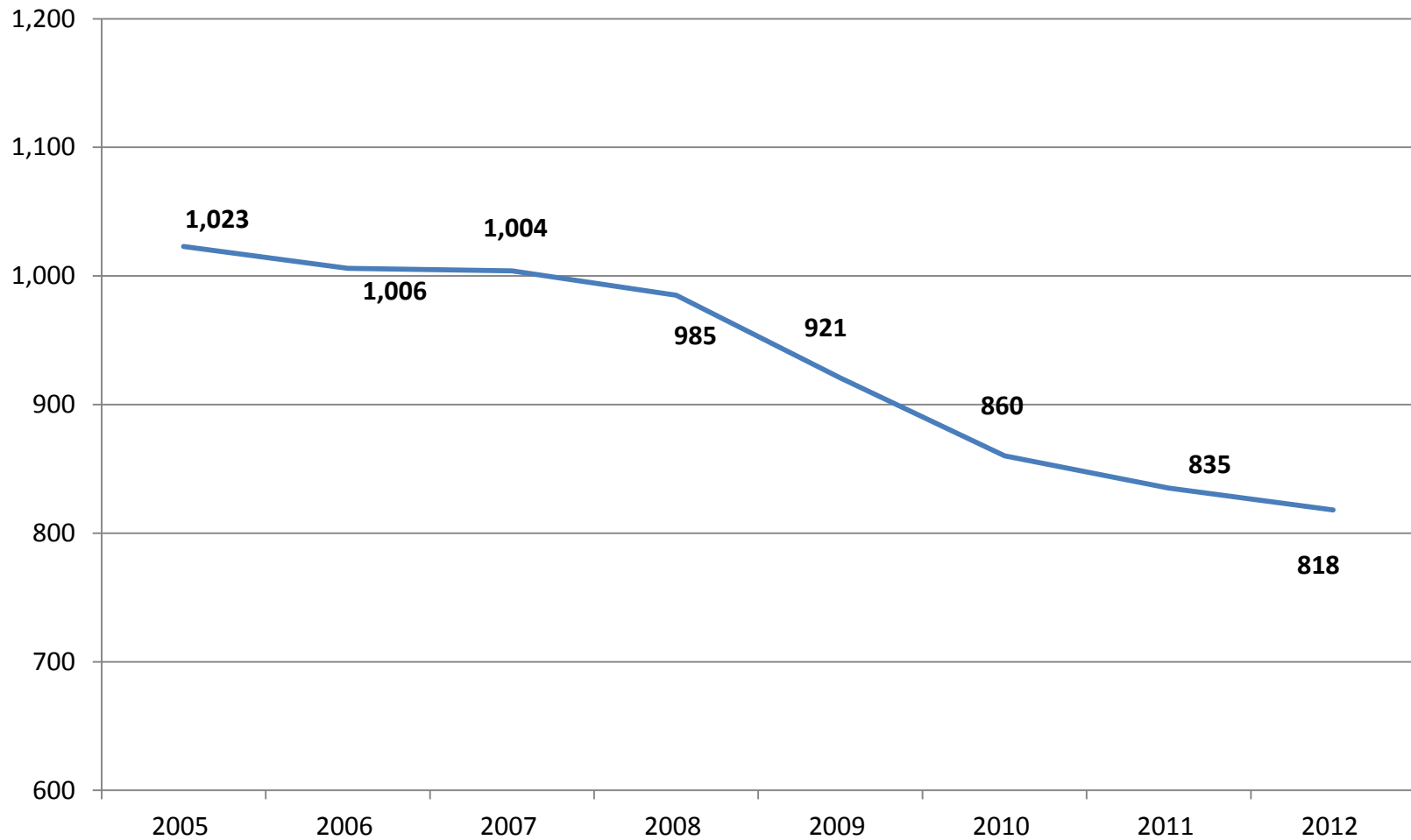
FY13-14 Salaries and Positions

- \$35.3 million for Salaries and Other Compensation
- \$17 million for Related Benefits
- Total Personnel Services = \$52.3 million, 78% of the Department of Revenue total Executive Budget Recommendation (excluding Other Charges)
- 689 Authorized Positions (677 classified and 12 unclassified)
- 6 full-time non-T.O. positions
- As of 1/30/2013, Department of Revenue had 71 vacancies



Salaries and Positions

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

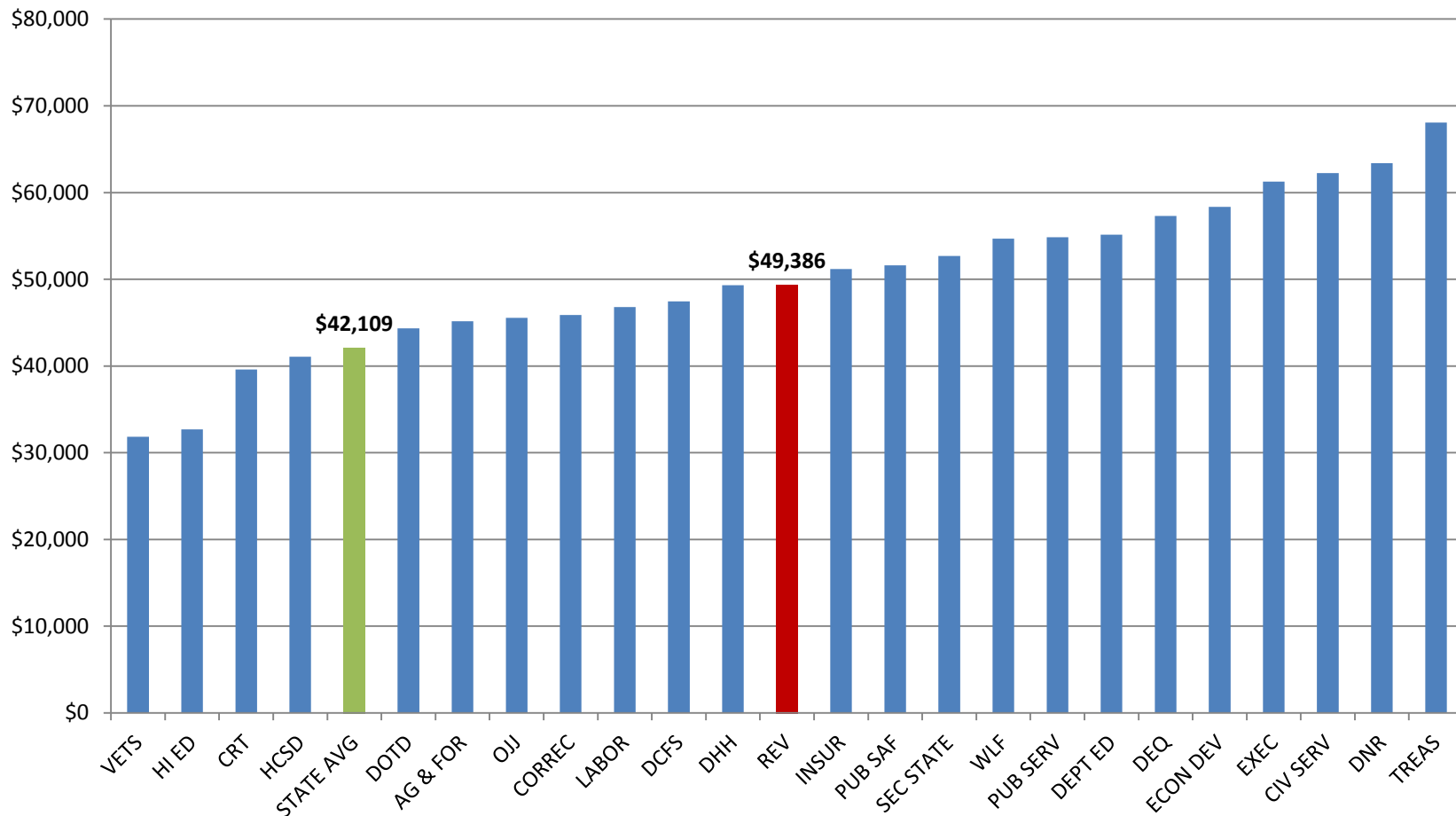


Source: ISIS-HR



Salaries and Positions

CLASSIFIED AVERAGE ANNUAL PAY PER FTE

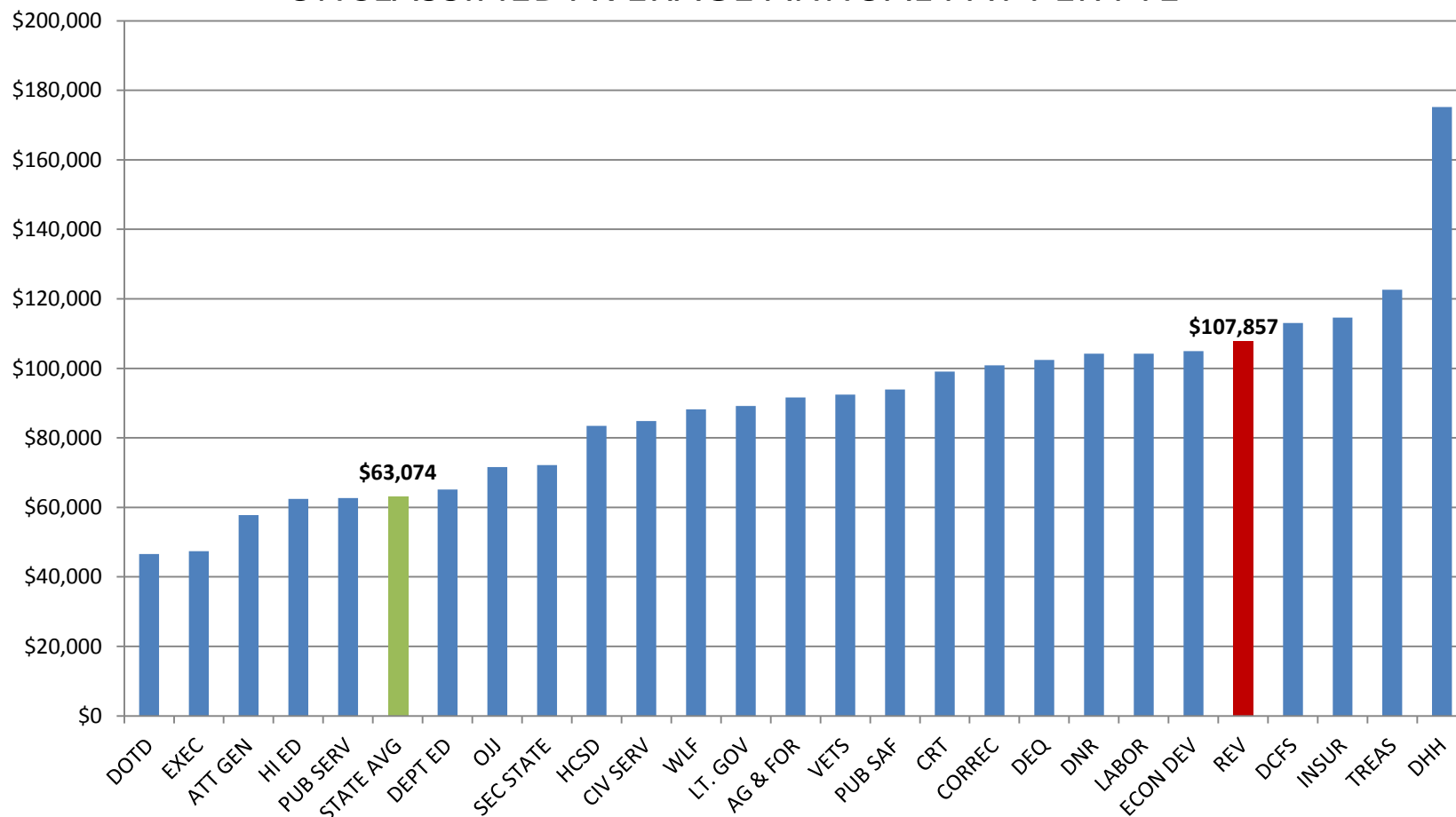


Source: ISIS-HR and Civil Service



Salaries and Positions

UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE

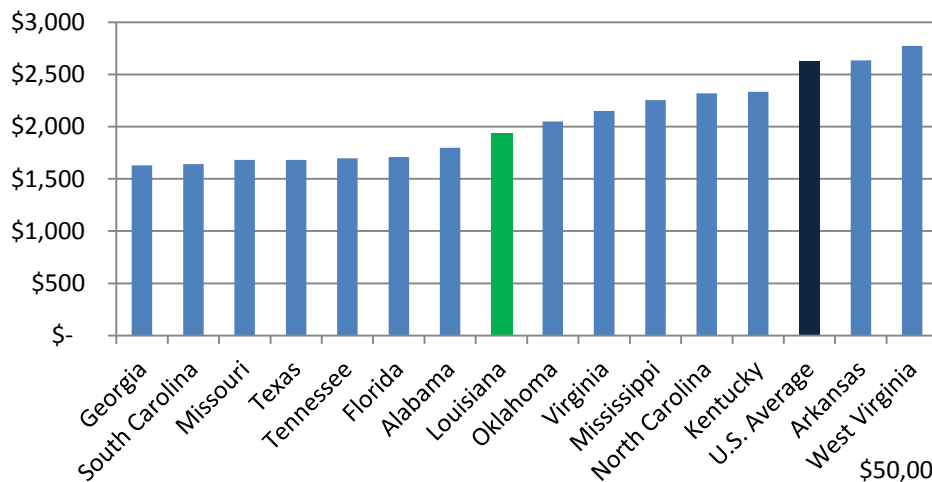


Source: ISIS-HR and Civil Service



State Comparisons

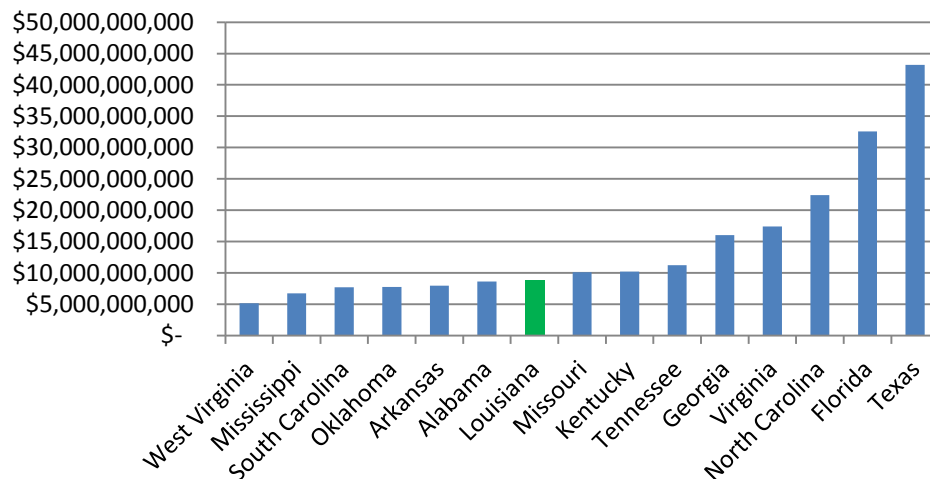
Per Capita State Tax Collection



Louisiana ranks 8th in taxes per capita in the Southern Region at \$1,938 per person

Louisiana ranks 7th in total tax collections in the Southern Region with a total tax collection of approximately \$8.9 billion

Tax Collected (2011)



Sources: United States Census Bureau, Louisiana department of Revenue, and the 2011 Survey of State Government Tax Collections



Department Contacts

Title	Agency Head	Phone
Executive Counsel	Tim Barfield	225-219-2700
Deputy Secretary	Jane Smith	225-219-2152
Assistant Secretary	Joseph Vaughn	225-219-2467
Undersecretary	Natalie Howell	225-219-2710