

State Board of Equalization

JLBC: Steve Grunig
 OSPB: Norm Selover

DESCRIPTION	FY 2005 ACTUAL	FY 2006 ESTIMATE	FY 2007 JLBC
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	7.0	7.0	7.0
Personal Services	328,900	357,000	357,000
Employee Related Expenditures	94,000	108,900	108,900
Professional and Outside Services	5,000	5,000	5,000
Travel - In State	4,600	6,600	6,600
Other Operating Expenditures	104,800	102,000	102,000
Equipment	15,300	5,000	5,000
AGENCY TOTAL	552,600	584,500	584,500

FUND SOURCES			
General Fund	552,600	584,500	584,500
SUBTOTAL - Appropriated Funds	552,600	584,500	584,500
TOTAL - ALL SOURCES	552,600	584,500	584,500

CHANGE IN FUNDING SUMMARY

	FY 2006 to FY 2007 JLBC	
	\$ Change	% Change
General Fund	0	0.0%
Total Appropriated Funds	0	0.0%
Total - All Sources	0	0.0%

AGENCY DESCRIPTION — The State Board of Equalization consists of 17 members. The board hears property tax appeals for Maricopa and Pima Counties. Property tax appeals in other counties continue to be heard by the respective County Boards of Equalization. Of the 17 members, the 7 gubernatorial appointments also hear appeals of centrally valued properties and equalization orders by the Department of Revenue.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2005	FY 2007
	Actual	Actual	Actual	JLBC
• Average calendar days to process a property tax appeal from receipt to issuance	28	28	28	28
• % of rulings upheld in tax courts	100	100	100	100
• Customer satisfaction rating (Scale 1- 8)	NA	NA	NA	6.1
Comment: While this rating has been required in the General Appropriation Act since FY 2003, the agency has only recently initiated this measure. The FY 2005 rating is a subjective assessment of customer satisfaction based on customer comments. In FY 2006, the agency is using a quantitative survey of customers.				

RECOMMENDED CHANGES FROM FY 2006

Operating Budget

The JLBC recommends \$584,500 from the General Fund for the operating budget in FY 2007. This amount is unchanged from FY 2006.

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JLBC RECOMMENDED FORMAT — Lump Sum by Agency

JLBC RECOMMENDED FOOTNOTES

Deletion of Prior Year Footnotes

The JLBC recommends elimination of the footnote related to computer conversion, but also recommends that the board continue to pursue an assessment by the Information Technology Authorization Committee as required by the FY 2006 footnote.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Computer Conversion

A General Appropriation Act footnote required the board to “report to the Joint Legislative Budget Committee by October 31, 2005 with a variety of options for conversion of its existing computer system. The report shall include an assessment of the options by the Information Technology Authorization Committee.” The Government Information Technology Agency (GITA) is responsible for statewide information technology planning, coordinating, oversight, and consulting. GITA also provides staff support to the Information Technology Authorization Committee (ITAC). The Information Technology Authorization Committee approves or disapproves all information technology projects that have development costs greater than \$1 million.

The board’s response on October 28, 2005 indicated that the Information Technology Authorization Committee did not provide an assessment. Instead, the board sought input directly from GITA. The board examined using the services of a vendor in conjunction with the state’s portal contract as an alternative solution. This alternative was not more cost effective, in part because GITA felt that an appropriate IT solution “would have to provide broad applicability beyond just that of SBOE.” The vendor’s preliminary report suggested that a simpler commercial “off-the-shelf” solution might be possible for SBOE. The report also found that the current computer system is troublesome, but still operational. The board might benefit from further development of a detailed solution for their information technology issues. Addressing the board’s most critical issues of aging hardware and outdated database software could be done in phases. The JLBC recommends the State Board of Equalization continue to pursue an assessment by the Information Technology Authorization Committee, as required by the footnote.