

Form Number 500

Agency Adjustment Summary

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER
	CODE & DESCRIPTION
AGENCY	093 - Tax Equalization and Review Commission

EXPENDITURE ACCOUNT	ADJUSTMENTS	
	2007-2008	2008-2009
Permanent F.T.E. Positions		
511100 Permanent Salaries - Wages	1,011	
511200 Temporary Salaries - Wages		
511600 Per Diem Payments		
511900 Supplemental (One-time payments)		
All Other Salaries		
Sub-Total Salaries	1,011	0
515100 Retirement Plans Expense	76	
515200 OASDI Expense	77	
515400 Life and Accident Insurance Expense		
515500 Health Insurance Expense		
All Other Personal Services		
Sub-Total Benefits	153	0
510000 Personal Services	1,164	0
520000 Operating Expenses	10,720	
570000 Travel Expenses		
580000 Capital Outlay		
590000 Government Aid		
Total Expense	11,884	0
Means of Financing		
General Fund		
Cash Fund	11,884	
Federal Fund		
Revolving Fund		
Total Funding	11,884	0

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Form Number 510			Page Number
		CODE	DESCRIPTION
Program Adjustment Narrative	AGENCY	93	Severance benefit
	PROGRAM	115	Commissioner Lore
	REQUEST	01	
State of Nebraska - Administrative Services - Budget Division			
Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.			

- A.) Vacation & Sick Leave Severance benefit paid on retirement of Commissioner Lore
- B.) Expenditure could not be budgeted for
- C.) Reduction in Funds for necessary operations
- D.) No statutory change

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

		CODE & DESCRIPTION
AGENCY	93	Severance benefit Commissioner
PROGRAM	115	Lore
REQUEST	01	

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions				
511100 Permanent Salaries - Wages	537,775	551,003	1,011	
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	537,775	551,003	1,011	0
515100 Retirement Plans Expense	39,929	38,853	76	
515200 OASDI Expense	40,481	39,630	77	
515400 Life and Accident Insurance Expense	205	205		
515500 Health Insurance Expense	63,227	67,652		
All Other Personal Services	5,111	5,111		
Sub-Total Benefits	148,953	151,451	153	0
510000 Personal Services	686,728	702,454	1,164	0
520000 Operating Expenses	98,098	111,346		
570000 Travel Expenses	23,200	21,200		
580000 Capital Outlay	3,400	4,900		
590000 Government Aid				
Total Expense	811,426	839,900	1,164	0
Means of Financing				
General Fund	771,426	799,900		
Cash Fund	40,000	40,000	1,164	
Federal Fund				
Revolving Fund				
Total Funding	811,426	839,900	1,164	0

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Form Number 510			Page Number
		CODE	DESCRIPTION
Program Adjustment Narrative	AGENCY	93	New Commissioner
	PROGRAM	115	Required Education
	REQUEST	02	Salmon
State of Nebraska - Administrative Services - Budget Division			
Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.			

- A.) Tuition & Travel to National Judicial College as required by statute and USPAP Update
- B.) Expenditure could not be budgeted for
- C.) Reduction in Funds for necessary operations
- D.) No statutory change

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

		CODE & DESCRIPTION
AGENCY	93	New Commissioner Required Education
PROGRAM	115	Salmon
REQUEST	02	

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions				
511100 Permanent Salaries - Wages	537775	551,003		
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	537,775	551,003	0	0
515100 Retirement Plans Expense	39,929	38,853		
515200 OASDI Expense	40,481	39,630		
515400 Life and Accident Insurance Expense	205	205		
515500 Health Insurance Expense	63,227	67,652		
All Other Personal Services	5,111	5,111		
Sub-Total Benefits	148,953	151,451	0	0
510000 Personal Services	686,728	702,454	0	0
520000 Operating Expenses	98098	111,346	5,075	
570000 Travel Expenses	23,200	21,200		
580000 Capital Outlay	3,400	4,900		
590000 Government Aid				
Total Expense	811,426	839,900	5,075	0
Means of Financing				
General Fund	771426	799,900		
Cash Fund	40,000	40,000	5,075	
Federal Fund				
Revolving Fund				
Total Funding	811,426	839,900	5,075	0

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Form Number 510			Page Number
		CODE	DESCRIPTION
Program Adjustment Narrative	AGENCY	93	Required Education for
	PROGRAM	115	qualification and National Judicial
	REQUEST	03	College Training Hotz
State of Nebraska - Administrative Services - Budget Division			
Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.			

A.) Tuition & Travel to National Judicial College and required education for qualificaiton.

B.) Expenditure could not be budgeted for

C.) Reduction in Funds for necessary operations

D.) No statutory change

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

		CODE & DESCRIPTION
AGENCY	93	Required Education for qualification and
PROGRAM	115	National Judicial College Training
REQUEST	03	Hotz

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions				
511100 Permanent Salaries - Wages	537775	551,003		
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	537,775	551,003	0	0
515100 Retirement Plans Expense	39,929	38,853		
515200 OASDI Expense	40,481	39,630		
515400 Life and Accident Insurance Expense	205	205		
515500 Health Insurance Expense	63,227	67,652		
All Other Personal Services	5,111	5,111		
Sub-Total Benefits	148,953	151,451	0	0
510000 Personal Services	686,728	702,454	0	0
520000 Operating Expenses	98098	111,346	5,645	
570000 Travel Expenses	23,200	21,200		
580000 Capital Outlay	3,400	4,900		
590000 Government Aid				
Total Expense	811,426	839,900	5,645	0
Means of Financing				
General Fund	771426	799,900		
Cash Fund	40,000	40,000	5,645	
Federal Fund				
Revolving Fund				
Total Funding	811,426	839,900	5,645	0

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Form Number 500

Agency Adjustment Summary

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER 1
	CODE & DESCRIPTION
AGENCY	Service Contract Mediation
93	and Employee Support Staff

EXPENDITURE ACCOUNT	ADJUSTMENTS	
	2007-2008	2008-2009
Permanent F.T.E. Positions		1.0
511100 Permanent Salaries - Wages		30,000
511200 Temporary Salaries - Wages		
511600 Per Diem Payments		
511900 Supplemental (One-time payments)		
All Other Salaries		
Sub-Total Salaries	0	30,000
515100 Retirement Plans Expense		2,250
515200 OASDI Expense		2,295
515400 Life and Accident Insurance Expense		8
515500 Health Insurance Expense		17,000
All Other Personal Services		
Sub-Total Benefits	0	21,553
510000 Personal Services	0	51,553
520000 Operating Expenses		2,000
### Other Contractual Services		
Douglas County Area		71,472
Not Douglas County Area		15,000
570000 Travel Expenses		
580000 Capital Outlay		3,000
590000 Government Aid		
Total Expense	0	143,025
Means of Financing		
General Fund		73,025
Cash Fund		70,000
Federal Fund		
Revolving Fund		
Total Funding	0	143,025

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Form Number 520

Program Adjustment Request
 State of Nebraska - Administrative Services - Budget Division

PAGE NUMBER 3

		CODE & DESCRIPTION
AGENCY	93	Service Contract Mediation
PROGRAM	115	and Employee Support Staff
REQUEST	03	

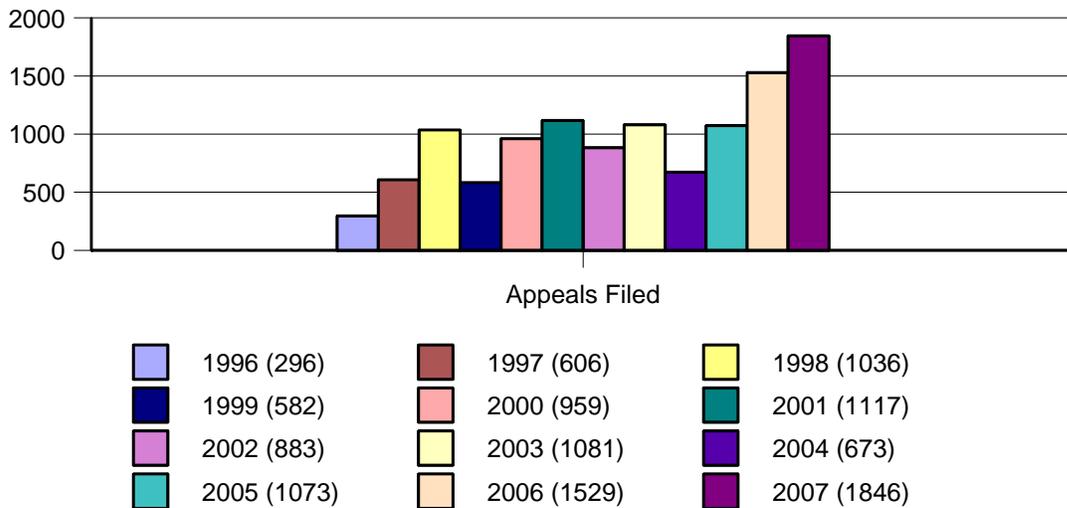
EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions	9.0	9.0	0.0	1.0
511100 Permanent Salaries - Wages	537,775	551,003		30,000
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	537,775	551,003	0	30,000
515100 Retirement Plans Expense	39,929	38,853		2,250
515200 OASDI Expense	40,481	39,630		2,295
515400 Life and Accident Insurance Expense	205	205		8
515500 Health Insurance Expense	63,227	67,652		17,000
All Other Personal Services	5,111	5,111		
Sub-Total Benefits	148,953	151,451	0	21,553
510000 Personal Services	686,728	702,454	0	51,553
520000 Operating Expenses	98,098	111,346		2,000
### Other Contractual Services				
Douglas County Area				71,472
Not Douglas County Area				15,000
570000 Travel Expenses	23,200	21,200		
580000 Capital Outlay	3,400	4,900		3,000
590000 Government Aid				
Total Expense	811,426	839,900	0	143,025
Means of Financing				
General Fund	771,426	799,900		73,025
Cash Fund	40,000	40,000		70,000
Federal Fund				
Revolving Fund				
Total Funding	811,426	839,900	0	143,025

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Attachment to Form Number 510
 Program Adjustment Narrative
 Agency 093
Service Contract Mediation and Employee support staff

I(A) The Commission has experienced a substantial increase in the number of appeals filed.

APPEALS FILED



The Commission believes that the number of appeal filings shown for the last two years will not abate. Most arise from Douglas County and no change in assessment practices in that county is anticipated. One fifth of the county is revalued each year. In addition the triennial revaluations conducted in Lancaster County tend to generate significant volume of appeals. The most recent Lancaster County revaluation was in 2006. The next revaluation for Lancaster County will occur in 2009 with any resulting appeals filed in 2009 and heard in 2010.

The Commission's 2008 work load is composed of carry over appeals and appeals filed in the year 2007.

APPEALS FOR HEARING IN 2008

Carry-over appeals filed in the year 2005

Ag	12
Residential	<u>2</u>
Total	14

Carry-over appeals filed in the year 2006

Low Income	54
Commercial	19
Residential	35
Agricultural	42
Exemption	<u>2</u>
Total	152

Appeals filed in the year 2007

Special value	219
Commercial	429
Agricultural	144
Mineral	18
Personal property	1
Residential	1034
Exempt	<u>1</u>
Total	1846

Total pending appeals 2005-2007 2,012

The Commission allocates 4 hrs of hearing time for each commercial appeal. All other appeals are allocated 2 hours unless the Commission has reason to believe more time will be needed. Due to time constraints, the Commission (depending on the mix of commercial and other hearings) can schedule between 300 to 350 hearings in a year. Many appeals are settled. Some appeals are consolidated for hearing.

The Commission believes it is important to keep dispositions of appeals current, within one year of filing. The backlog for 2008 is illustrative of a growing problem that cannot be addressed without a change in procedures and resources.

In 2006, the Commission used the services of mediators to resolve some Douglas County residential appeals. The results were very good in terms of Taxpayer and County acceptance and a speedy resolution of the mediated appeals. The 2006 effort was a contract effort at a cost of \$200 per appeal mediated. Mediation of the 2007 statewide residential appeals may be accomplished with cooperation and assistance of the Department of Revenue. As noted above the Commission expects the level of appeals shown for the year 2007 to be ongoing.

The Commission proposes to contract for mediation of all residential appeals and hire 1 full time support staff for a statewide mediation effort to be up and running for residential appeals filed for 2008. The contract rate for mediation of appeals in 2006 was \$200 per appeal. However, because of the much higher volume, the Commission believes it could enter into a mediation contract at approximately \$80 per appeal for mediation done in the Douglas County area. Assuming 856 residential appeals for mediation in the Douglas County

area, that portion of the contract cost is estimated to be \$71,472. For mediation not done in the Douglas County area, the Commission believes it could enter into a mediation contract at approximately \$200 per appeal. Assuming 75 residential appeals for mediation not conducted in the Douglas County area, that portion of service contract costs is estimated to be \$15,000.

I(B) The addition of one support staff will allow the Commission to keep scheduling and documents prepared in appeals current. It will be necessary to equip an office space and meeting space for the extra staff person. The Commission estimates the cost of desks, file cabinets, phones, computers, etc to be \$3,000.

I(C) The request would increase Commission FTE by 1, increase its PSL limitation by \$70,000, (to give the Commission flexibility to move mediation in-house in the event it is determined to be appropriate, and to maintain the best bargaining position with service contract providers), increase its general fund requirements by \$73,025, use cash funds of \$70,000.00, and provide a cost effective way for the Commission to manage its anticipated volume of residential appeals on a timely basis. One advantage in contracting for mediation (as opposed to hiring an in-house mediator) is that in the event the volume of appeals decreases in future years, the Commission may be able to reduce costs proportionate to the decrease.

I(D) No statutory change is needed.

Alternative to Contract Services

II(A) The Commission has also considered hiring the mediator rather than contracting. Issues concerning confidentiality, conflicts of interest, and perceptions of impartiality would have to be addressed.

However, if the Commission were to hire 1 full time mediator and 1 full time support staff for in house state wide mediation to be up and running for residential appeals filed in 2008, it is estimated that a full time mediator could address 867 cases in a full year based on the following assumptions:

2080 hrs full year
(80) hrs vacation leave
(96) hrs holiday leave
(24) hrs sick leave
(100)hrs administrative
(46) hrs travel
1734 hrs for mediation
) 2 = 867

The 2006 experience indicates that each residential mediation requires 1.5 hours.

A full time staff person would be needed to support the mediator **and to assist the**

existing Commission staff, (1 attorney and 4 clerical), with the increased appeal volume. The need is for a scheduling and order clerk to schedule meetings or hearings and prepare the necessary paperwork.

The commission estimates that a full time mediator could be hired at a base salary of \$40,000.00 and the necessary support staff at a base salary of \$30,000.00. It is estimated that health insurance costs would be \$17,000.00 per new staff member. Additional leased space would be needed for the mediator to both use as an office and as a meeting room for mediation sessions. Training may be necessary for the mediator at a cost of \$800 to \$1,000. In order to provide a statewide program it is estimated that the mediator would be required to travel 7 weeks each year at a cost of \$900 per week estimated as follow:

room	\$70 per night x 4	= \$280 per week
meals	\$39 per day x 4	= \$156 per week
meeting space	\$60 per day x 5	= \$375 per week
transportation		= <u>\$150</u> per week
		\$886 per week

It would be necessary to equip office space and meeting space for the mediator and provide equipment and a workspace for the additional staff person. The Commission estimates the cost of desks, file cabinets, phones, computers, etc to be \$6,000. Total costs of a staff mediator with support staff is estimated to be \$132,482.

II(B) The addition of a staff mediator and support staff should allow the Commission to keep dispositions of expected appeals volumes on a timely basis. Commission staff are at-will employees.

II(C) The request would increase Commission FTE by 2, increase its PSL limitation by \$70,000, increase its general fund requirements by \$62,482.00, use cash funds of \$70,000.00, and provide a cost effective way for the Commission to manage its anticipated volume of appeals on a timely basis.

II(D) No known statutory change would be needed.