



# INDIANA DEPARTMENT OF REVENUE

## Budget Committee

## FY 24 – 25 Budget Request

December 8, 2022

Bob Grennes, Commissioner

Ed Vance, CFO



# Presenters

- **Bob Grennes, Commissioner**

- After serving as DOR's Chief Operating Officer for 3 years, Bob was appointed by Governor Holcomb to be DOR's Commissioner on February 1, 2020.
- Bob has 4 decades of technology, service operations and executive leadership experience. During his four years on the DOR executive leadership team, Bob has played a key role in improving DOR's organizational capability, service delivery, stakeholder relationships and culture. He has also helped lead DOR's successful modernization project – Project NextDOR.



- **Ed Vance, Chief Financial Officer, CPA/MBA**

- Ed has been DOR's CFO since January 2017. During his four years on the DOR executive leadership team, he has skillfully led DOR's finance team to deliver consistently high-quality results and drive improvements across DOR's financial management functions. Ed and his team work collaboratively with OMB, State Budget, Auditor of State, State Treasurer, and partner agency finance staff to navigate the many complexities associated with DOR's financial and budget operations.
- Ed has over 20 years of private industry experience in various finance & accounting roles for BorgWarner, JP Morgan Chase, Eli Lilly, Ernst & Young



# AGENDA

- Commissioner Bob Grennes
  - Agency Overview
  - Biennium Accomplishment Highlights
- CFO Ed Vance
  - Budget Request
  - Biennium Change Packages



# Agency Overview

**Mission:** To serve Indiana by administering tax laws in a fair, secure and efficient manner.

**Vision:** To be recognized as the premier tax administrator in the nation and a great place to work.

**Purpose:** To provide great government service at a great value to our customers.

## Serving Indiana

- 700 team members
- 13 locations
- 65 tax types, licenses, & fees
- \$24 billion in FY21, \$27 billion in FY22
- Millions of returns and payments
- Thousands of audits
- Hundreds of thousands of service transactions



# Biennium Highlights

- Successful operation of all systems & services
  - ✓ 2021 and 2022 Individual Tax Seasons
    - 4.3 M Hoosiers – 3.5 M returns, 2.4 M refunds
  - ✓ \$20+ M in attempted tax refund fraud stopped
  - ✓ Compliance, internal control, & internal audit improvements
  - ✓ Implemented all business, individual, and special taxes on the new modernized Indiana Tax System
  - ✓ Industry leading Motor Carrier Services enhancements
  - ✓ Automatic Tax Refunds – ATR1 & ATR2
- Top Workplace Recognition
  - ✓ 2022 IndyStar & 2022 Top Workplace USA
- Completion of Project NextDOR
  - ✓ On-time & On-budget for 5 years



# DOR's Biennium Budget Request

## *CFO Ed Vance*



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# Budget Request

Operating Request	Actual FY 2021	Actual FY 2022	Base FY 2023	Budget FY 2024	Budget FY 2025
10850 Collections and Admin (G)	\$ 58,603,984	\$ 62,001,900	\$ 67,000,000	\$ 80,914,450	\$ 80,914,450
10920 Outside Collections (G)	\$ 3,087,033	\$ 4,492,824	\$ 4,585,887	\$ 4,585,887	\$ 4,585,887
32810 Motor Carrier (D)	\$ 7,981,598	\$ 8,433,971	\$ 8,614,579	\$ 10,029,579	\$ 10,029,579
<b>Grand Total</b>	<b>\$ 69,672,615</b>	<b>\$ 74,928,695</b>	<b>\$ 80,200,466</b>	<b>\$ 95,529,916</b>	<b>\$ 95,529,916</b>
Change Package 1 - Salary Study				\$ 9,404,450	\$ 9,404,450
Change Package 2 - Jan 2022 General Salary Adjustment				\$ 1,845,000	\$ 1,845,000
Change Package 3 - IOT / SPD Rate Increase				\$ 910,000	\$ 910,000
Change Package 4 - Internal Audit				\$ 470,000	\$ 470,000
Change Package 5 - Motor Carrier Services				\$ 1,050,000	\$ 1,050,000
Change Package 6 - Customer Service Augmentation				\$ 1,650,000	\$ 1,650,000
<b>Change Package Totals</b>				<b>\$ 15,329,450</b>	<b>\$ 15,329,450</b>



# Change Package 4 – Internal Audit Function

	<b>Total</b>
Internal Audit	\$470,000

- DOR's internal audit function is currently being performed by a third-party contract that is supported through our capital appropriation. This change package will bring our internal audit function in-house at a significant savings (\$330,000 / year).



# Change Package 5 – Motor Carrier Services

	<b>Total</b>
Operational Staffing	\$ 660,000
IT Resources	\$ 390,000
<b>Grand Total</b>	<b>\$ 1,050,000</b>

- DOR's Motor Carrier Services division has experienced significant increases in customer volumes across its business lines from 8 – 133%. Additional staffing and IT resources are needed to support the increased workload. The Motor Carrier Services division has increased revenue by 20% while reducing obligations by 10%.



# Change Package 6 – Customer Service Augmentation

	<b>Total</b>
Third-Party Call Support	\$ 1,650,000

- DOR has historically been unable to keep up with the volume of calls during the Individual peak season, due to resource limitations, and has had to deflect calls.
- The volume of calls during Individual tax season creates significant wait times for our customers, sometimes one and a half hours or more. Both deflection and extended wait times result in a poor customer experience.
- Per DOR's workforce plan, we have a gap of 15-25 full-time equivalents to meet our desired service level.
- Our goal is to have a third-party vendor pick up one-third of our call volume during Individual peak season to help address deflections and improve wait time, with a goal of 80% of calls answered within 15 minutes.



# THANK YOU

# #WeAreDOR



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