

Franchise Tax Board  
Fiscal Year 2015/16  
Proposed Budget Change Proposals

Proposed BCP Issue		2015/16 Cost Estimate (in thousands)	2015/16 Positions	Fund Source	Summary
1.	Enterprise Data to Revenue Project	\$47,100	1	GF	Requests \$47.1 million (\$41.2 million is the anticipated Prime Solution Provider (PSP) payment) and 1 position to continue implementation of the Enterprise Data to Revenue (EDR) project. The EDR project is a five-year IT project that will modernize FTB's processes and systems.
2.	AB 1424	\$686	7	GF	Requests \$686,000 and 7 permanent positions to replace 7 expiring 3-year limited-term positions. The current positions will expire June 30, 2015. These positions will continue to administer the provisions of the Delinquent Taxpayer Accountability Act (Stats. 2011, Ch. 455). Revenue generated from this proposal is anticipated to be \$21 million in 2015/16 and 2016/17.
3.	Mainframe Workload Growth	\$5,537	-	GF	Requests one-time funding of \$4.0 million in 2015/16 and on-going funding of \$1.5 million beginning in 2015/16 to replace FTB's mainframe, increase processing capability (MIPS), and memory storage to meet workload growth projections.
4.	Taxpayer Correspondence	\$3,955	31	GF	Requests \$4.0 million and 31 permanent positions to improve the turn around time to respond to taxpayer correspondence.
5.	Authenticated Live Chat & Web Services	\$2,300	21	GF	Requests \$2.3 million and 21 permanent positions to meet customer demand for customer service options on FTB's website and will service the increasing demand to access information from a mobile device. This includes 18 positions for the department's live chat communication link located on the FTB public website in order to provide the ability to chat with taxpayers regarding confidential information. Currently, only general tax information questions are handled by staff.
6.	Identity Theft	\$1,896	25	GF	Requests \$1.9 million and 25 permanent positions to review suspicious refunds to prevent fraudulent refunds from being issued due to withholding and identity theft (IDT) fraud and to resolve IDT related enforcement cases. The volume of suspicious refunds and IDT cases has significantly increased over the past few years. Current staffing levels are unable to keep up with the increase in cases. FTB stopped the release of over \$9.5 million in fraudulent IDT refunds and \$36 million in withholding fraud refunds in 2013/14.
7.	Court Ordered Debt Spending Authority Increase	\$0	-	COD	Requests a \$1.1 million increase in spending authority for the Court Ordered Debt Program. Authority will increase from \$11.7 million to \$12.8 million.