

Franchise Tax Board  
Fiscal Year 2016-17  
Proposed  
Budget Change Proposals

Proposed BCP Issue		2016-17 Cost Estimate (in thousands)	2016-17 Positions	Fund Source	Summary
1.	Enterprise Data to Revenue Project	TBD	TBD	GF	Request resources for maintenance and operations of the Enterprise Data to Revenue (EDR) project. As of April 30, 2015, the EDR project is 86% complete and is approaching the last year and warranty period for the project. Since the project is now near completion, an assessment of the actual on-going needs to perform the maintenance and operations post-project for 2016-17 though 2020-21 has been completed. FTB has also assessed the ongoing program needs to realize the full potential of EDR deliverables. The proposed changes are necessary for the full maintenance and operations of the EDR solution post-project.
2.	Accounts Receivable Management Program	\$8,200	101	GF	Replace limited term positions (expiring June 2016) with permanent positions. The positions have allowed FTB to manage the inventory, reducing prior year receivables and timely processing new cases as they enter the collection program.
3.	Customer Service Resources	TBD	TBD	GF	Request resources for call center, website, live chat, and correspondence workloads. Providing timely and accurate taxpayer assistance is crucial to maintaining the health of the voluntary compliance system. Each interaction between taxpayers and the FTB, whether it is through our web and electronic self service applications, forms and instructions, call center, live chat, or written correspondence, represents an opportunity to influence current and future taxpayer behavior. If FTB neglects customer service and fails to meet the needs of compliant taxpayers or to support noncompliant taxpayers, it will soon see a costly trend towards noncompliance.
4.	E-Commerce Infrastructure Refresh	\$3,500	-	GF/SF	Request \$3.5 million in 2016-17, \$1.9 million in 2017-18, and \$170,000 in 2018-19 and ongoing for E-Commerce infrastructure refresh needs to extend FTB's network infrastructure support and increase network switch port capacity. Beginning February 2017, several important components of FTB's network infrastructure are nearing end of life and can no longer be supported. FTB's programs rely heavily on this infrastructure to securely, reliably and efficiently connect all California taxpayers, as well as FTB staff, to taxpayer information on our systems.
5.	Tax Gap	TBD	TBD	GF	Request resources for Criminal Investigation Bureau and Audit to address the tax gap and underground economy. The initiatives encompass enforcement techniques aimed at known compliance problems that represent a portion of the tax gap problem. These positions are expected to generate additional revenue.