

**STATE OF CALIFORNIA
FINANCE LETTER - COVER SHEET
FOR FISCAL YEAR 2005/06
DF-46 (REV 03/03)**

**Department of Finance
915 L Street
Sacramento, CA 95814
IMS Mail Code: A-15**

FL # 2	PRIORITY NO	ORG CODE 1730	DEPARTMENT Franchise Tax Board
PROGRAM 40 Child Support	ELEMENT 40 Child Support	COMPONENT	

TITLE OF PROPOSED CHANGE:

Transfer of the Franchise Tax Board (FTB) Child Support Full Collection Program from FTB to the Department of Child Support Services (DCSS) in compliance with Chapter 806, Statutes of 2004 (AB 2358).

SUMMARY OF PROPOSED CHANGE:

Currently, FTB operates the FTB Child Support Full Collection Program on behalf of DCSS. FTB staff use the Child Support Recovery (CSR) system to locate assets of delinquent obligors and initiate enforcement actions to garnish/intercept obligor monies. FTB staff also cashiers and processes collections received as a result of enforcement actions, including seizure of assets from financial institutions as appropriate. Assembly Bill (AB) 2358, filed in September 2004, transfers the program authority and responsibilities for the FTB Child Support Full Collection Program from FTB to DCSS. This Finance Letter transfers existing authority for the FTB Child Support Full Collection Program activities from FTB to DCSS effective July 1, 2005. General Fund spending authority supporting the FTB responsibilities must also be transferred along with staff and other resources, i.e., hardware, software, etc. The Department of Child Support Services is submitting a companion proposal.

REQUIRES LEGISLATION <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	CODE SECTION(S) TO BE AMENDED/ADDED	BUDGET IMPACT-PROVIDE LIST AND MARK IF APPLICABLE <input type="checkbox"/> ONE-TIME COST <input type="checkbox"/> FULL-YEAR COSTS <input type="checkbox"/> FACILITIES/CAPITAL COSTS <input type="checkbox"/> FUTURE SAVINGS <input type="checkbox"/> REVENUE
---	--	--

PREPARED BY:	DATE	REVIEWED BY:	DATE
PROGRAM APPROVAL:			
DEPARTMENT DIRECTOR:	DATE	GENERAL SECRETARY:	DATE

Pending Board Approval

IF PROPOSAL AFFECTS ANOTHER DEPARTMENT, DOES OTHER DEPARTMENT CONCUR WITH PROPOSAL? _____

YES NO

ATTACH COMMENTS OF AFFECTED DEPARTMENT SIGNED AND DATED BY THE DEPARTMENT DIRECTOR OR DESIGNEE.

FOR INFORMATION TECHNOLOGY REQUESTS, SPECIFY THE DATE SPECIAL PROJECT REPORT (SPR) OR FEASIBILITY STUDY REPORT (FSR) WAS APPROVED BY THE DEPARTMENT OF FINANCE.

DATE _____ PROJECT # _____ FSR OR SPR

**DOF ANALYST USE
(ADDITIONAL REVIEW)**

CAPITAL OUTLAY	<input type="checkbox"/>	TIRU	<input type="checkbox"/>	FSCU	<input type="checkbox"/>	OSAE	<input type="checkbox"/>	CALSTARS	<input type="checkbox"/>
----------------	--------------------------	------	--------------------------	------	--------------------------	------	--------------------------	----------	--------------------------

Franchise Tax Board

FY 2005/06 Child Support Reduction Finance Letter

(Dollars in thousands)

ALLOTMENTS	Issue #1 Transfer 188 positions out of FTB		Issue #2 Contract Back 19.5 Pos		Combined Net Resources	
	Pos	Amount	Pos	Amount	Pos	Amount
Personal Services						
Total Salaries and Wages	-188.0	-9,528	19.5	1,061	-168.5	-8,467
Salary Savings	2.3	476	-1.0	-53	1.3	423
Net Salaries and Wages	-185.7	-9,052	18.5	1,008	-167.2	-8,044
Staff Benefits		-3,621		383		-3,238
Net Total Personal Services	-185.7	-12,673	18.5	1,391	-167.2	-11,282
Operating Expense & Equipment						
General Expense		-140		140		0
Printing		-315		153		-162
Communications		-475		200		-275
Postage		-626		200		-426
Travel-In-State		-44		0		-44
Travel-Out-of-State		-21		0		-21
Training		-150		0		-150
Facilities Operations		-991		991		0
Utilities		-63		63		0
Cons & Prof Svs - Internal		-140		140		0
Cons & Prof Svs - External		-620		620		0
Consolidated Data Center		-17		17		0
Data Processing		-485		485		0
Equipment		0		0		0
Other Items of Expense		0		0		0
Total OE & E		-4,087		3,009		-1,078
Total Expenditures		-185.7		18.5		-12,360
FUNDING						
General Fund (1730-001-0001)		-5,547		0		-5,547
Reimbursements (1730-505-0995)		-11,213				-11,213
Reimbursements (1730-501-0995)				4,400		4,400
Total Funding		-16,760		4,400		-12,360

FL # 2	DATE	2/8/2005	Title of Proposed Change:			
PROGRAM 40	ELEMENT		Child Support Net Amount			
Child Support Program			COMPONENT			
			<u>Personnel Years</u>		<u>Current Year</u>	<u>Budget Year</u>
			<u>CY</u>	<u>BY</u>		
Total Salaries & Wages a/			.0	-168.5	\$ 0	-\$ 8,467,000
Salary Savings			.0	1.3	\$ 0	\$ 423,000
Net Total Salaries and Wages			.0	-167.2	\$ 0	-\$ 8,044,000
Staff Benefits b/					\$ 0	-\$ 3,238,000
Total Personal Services					\$ 0	-\$ 11,282,000
Operating Expenses and Equipment						
General Expenses /1					\$ 0	0
Printing /2					0	-162,000
Communications /3					0	-275,000
Postage /4					0	-426,000
Travel-In-State /5					0	-44,000
Travel Out-of-State /6					0	-21,000
Training /7					0	-150,000
Facilities Operations /8					0	0
Utilities /9					0	0
Cons & Prof Svs - Interdept'l					0	0
Cons & Prof Svs - External					0	0
Consolidated Data Center					0	0
California Health and Human Services Agency Data Center					()	()
Stephen P. Teale Data Center					()	()
Data Processing /10					0	0
Equipment					0	0
Other Items of Exp (Specify Below)					0	0
Total Operating Expense & Equipment					\$ 0	-\$ 1,078,000

a/ Itemized detail on Page II-3 by classification as in Salaries and Wages Supplement.

b/ Detail provided on following pages.

						<u>Current Year</u>	<u>Budget Year</u>
TOTAL OPERATING EXPENSES AND EQUIPMENT						\$ 0	-\$ 1,078,000
SPECIAL ITEMS OF EXPENSE d/						\$ 0	\$ 0
<hr/>							
PROGRAM ADMINISTRATION						\$ 0	\$ 0
Distributed Admin						\$ 0	\$ 0
TOTAL STATE OPERATIONS EXPENDITURES						<u>\$ 0</u>	<u>-\$ 12,360,000</u>
<u>Source of Funds</u>		<u>Appropriation No.</u>					
	Org	-	Ref	-	Fund		
General Fund	1730		001		0001	\$ 0	-\$ 5,547,000
	<hr/>		<hr/>		<hr/>	0	0
	<hr/>		<hr/>		<hr/>	0	0
	<hr/>		<hr/>		<hr/>	0	0
	<hr/>		<hr/>		<hr/>	0	0
	<hr/>		<hr/>		<hr/>	0	0
Reimbursements	1730		505		0995	0	-6,813,000
Totals						<u>\$ 0</u>	<u>-\$ 12,360,000</u>
LOCAL ASSISTANCE						\$(0)	\$(0)
<u>Source of Funds</u>		<u>Appropriation No.</u>					
	Org	-	Ref	-	Fund		
General Fund	1730		001		0001	\$ 0	\$ 0
	<hr/>		<hr/>		<hr/>	0	0
	<hr/>		<hr/>		<hr/>	0	0
	<hr/>		<hr/>		<hr/>	0	0
	<hr/>		<hr/>		<hr/>	0	0
Reimbursements	<hr/>		<hr/>		<hr/>	0	0
Totals						<u>\$ 0</u>	<u>\$ 0</u>

d/ Special Items of expense must be titled. Please refer to the Uniform Codes Manual for a list of the standardized Special Items of expense objects which may be used.

**DETAIL OF STAFF BENEFITS
AND PERSONAL SERVICES**

Positions		<u>CY</u>	<u>BY</u>		<u>Salary Range</u>		<u>CY</u>	<u>BY</u>	
		2004/05	2005/06						
Administrative Services Division									
Staff Serv Mgr II Sup	PERM	0.0	-1.0	\$	5,211	\$	6,286	\$	0 -\$ 69,000
Assoc Personnel Analyst	PERM	0.0	-1.0	\$	4,111	\$	4,997	\$	0 -\$ 55,000
Personnel Supervisor I	PERM	0.0	-2.0	\$	3,418	\$	4,155	\$	0 -\$ 91,000
Personnel Selection Tech - Rg B	PERM	0.0	-1.0	\$	2,465	\$	2,998	\$	0 -\$ 37,000
Mailing Machines Operator I - Rg B	PERM	0.0	0.5	\$	2,130	\$	2,588	\$	0 \$ 14,000
Mailing Machines Operator I - Rg B	PERM	0.0	-1.0	\$	2,130	\$	2,588	\$	0 -\$ 31,000
Total Administrative Services Division		.0	-5.5				\$	0	-\$ 269,000
Adjust for Part Year Positions		.0	0.0						
Net Positions/ PYs before salary savings		.0	-5.5						
Legal Division									
Tax Counsel III Spec	PERM	0.0	-2.0	\$	6,902	\$	8,517	\$	0 -\$ 185,000
Total Legal Division		.0	-2.0				\$	0	-\$ 185,000
Adjust for Part Year Positions		.0	0.0						
Net Positions/ PYs before salary savings		.0	-2.0						
Finance & Executive Services Division									
Sr Accounting Officer Spec	PERM	0.0	-1.0	\$	4,111	\$	4,997	\$	0 -\$ 55,000
Acctg Officer Spec	PERM	0.0	-1.0	\$	3,589	\$	4,363	\$	0 -\$ 48,000
Acctg Officer Spec	PERM	0.0	1.0	\$	3,589	\$	4,363	\$	0 \$ 48,000
Sr Accounting Officer Spec	PERM	0.0	1.0	\$	4,111	\$	4,997	\$	0 \$ 55,000
Total Finance & Executive Services Division		.0	0.0						
Adjust for Part Year Positions		.0	0.0						
Net Positions/ PYs before salary savings		.0	0.0						
Accounts Receivable Management Division									
Compliance Rep, Ftb - Rg A	OT						\$	0	-\$ 92,000
C E A - Lv 2	PERM	0.0	-1.0	\$	7,302	\$	8,051	\$	0 -\$ 92,000
Administrator I	PERM	0.0	-6.0	\$	4,743	\$	5,763	\$	0 -\$ 378,000
Staff Operations Specialists	PERM	0.0	-1.0	\$	4,516	\$	5,489	\$	0 -\$ 60,000
Principal Compliance Rep	PERM	0.0	-4.0	\$	4,516	\$	5,489	\$	0 -\$ 240,000
Sr Compliance Rep.,Ftb	PERM	0.0	-11.0	\$	4,316	\$	5,247	\$	0 -\$ 631,000
Compliance Rep, Ftb - Rg B	PERM	0.0	-46.0	\$	2,902	\$	3,200	\$	0 -\$ 1,783,000
Office Tech Gen	PERM	0.0	-2.0	\$	2,465	\$	2,998	\$	0 -\$ 66,000
Tax Program Tech I, Ftb	PERM	0.0	-4.0	\$	2,465	\$	2,998	\$	0 -\$ 131,000
Tax Technician, Ftb - Rg B	PERM	0.0	-28.0	\$	2,331	\$	2,835	\$	0 -\$ 980,000
Administrator III	PERM	0.0	-1.0	\$	6,334	\$	6,984	\$	0 -\$ 76,000
Administrator II	PERM	0.0	-2.0	\$	5,208	\$	6,329	\$	0 -\$ 125,000
Total Accounts Receivable Management Division		.0	-106.0				\$	0	-\$ 4,654,000
Adjust for Part Year Positions		.0	0.0						
Net Positions/ PYs before salary savings		.0	-106.0						
Filing Division									
Sys Software Spec II Tech	PERM	0.0	-1.0	\$	5,196	\$	6,316	\$	0 -\$ 69,000
Sys Software Spec I Tech	PERM	0.0	-3.0	\$	4,731	\$	5,753	\$	0 -\$ 189,000
Assoc Tax Auditor	PERM	0.0	-1.0	\$	4,316	\$	5,247	\$	0 -\$ 57,000
Office Serv Manager I	PERM	0.0	-1.0	\$	3,714	\$	4,514	\$	0 -\$ 49,000
Tax Program Sup	PERM	0.0	-1.0	\$	2,898	\$	3,524	\$	0 -\$ 39,000
Tax Program Tech II,Ftb	PERM	0.0	-1.0	\$	2,757	\$	3,353	\$	0 -\$ 37,000
Key Data Sup I	PERM	0.0	-1.0	\$	2,565	\$	3,115	\$	0 -\$ 34,000
Tax Program Tech I, Ftb	PERM	0.0	-1.0	\$	2,465	\$	2,998	\$	0 -\$ 33,000
Key Data Operator - Rg B	PERM	0.0	-5.0	\$	2,012	\$	2,220	\$	0 -\$ 152,000
Tax Program Assistant - Rg B	PERM	0.0	1.0	\$	1,938	\$	2,354	\$	0 \$ 26,000
Tax Program Assistant - Rg B	PERM	0.0	-2.0	\$	1,730	\$	2,103	\$	0 -\$ 52,000
Tax Program Tech I, Ftb	PERM	0.0	1.0	\$	1,730	\$	2,103	\$	0 \$ 33,000
Key Data Operator - Rg B	PERM	0.0	1.0	\$	1,730	\$	2,103	\$	0 \$ 30,000
Tax Technician, Ftb	TEMP	0.0	0.0	\$	2,331	\$	2,835	\$	0 -\$ 249,000
Total Filing Division		.0	-14.0				\$	0	-\$ 871,000
Adjust for Part Year Positions		.0	0.0						
Net Positions/ PYs before salary savings		.0	-14.0						

Technology Services Division

Data Processing Mgr III	PERM	0.0	-1.0	\$	6,334	\$	6,984	\$	0	-\$	80,000
Sys Software Spec III Tech	PERM	0.0	-1.0	\$	5,709	\$	6,938	\$	0	-\$	76,000
Sr Info Systems Analyst Spec	PERM	0.0	-4.0	\$	5,206	\$	6,327	\$	0	-\$	277,000
Data Processing Mgr II	PERM	0.0	-2.0	\$	5,206	\$	6,327	\$	0	-\$	138,000
Sr Info Systems Analyst Spec	PERM	0.0	-1.0	\$	5,206	\$	6,327	\$	0	-\$	69,000
Sys Software Spec II Tech	PERM	0.0	-4.0	\$	5,196	\$	6,316	\$	0	-\$	276,000
Sr Operations Specialist/Ftb	PERM	0.0	-1.0	\$	4,960	\$	6,028	\$	0	-\$	66,000
Sr Program System Analyst Spec	PERM	0.0	-4.0	\$	4,960	\$	6,028	\$	0	-\$	264,000
Staff Info Sys Analyst Spec	PERM	0.0	-8.0	\$	4,732	\$	5,754	\$	0	-\$	503,000
Data Processing Mgr I	PERM	0.0	-2.0	\$	4,732	\$	5,754	\$	0	-\$	126,000
Staff Prog Analyst Spec	PERM	0.0	-4.0	\$	4,732	\$	5,754	\$	0	-\$	252,000
Sys Software Spec I Tech	PERM	0.0	-1.0	\$	4,731	\$	5,753	\$	0	-\$	63,000
Assoc Info Systems Analyst	PERM	0.0	-12.0	\$	4,316	\$	5,247	\$	0	-\$	689,000
Assoc Prog Analyst Spec	PERM	0.0	-3.0	\$	4,316	\$	5,247	\$	0	-\$	172,000
Assoc Operations Spec/Ftb	PERM	0.0	-1.0	\$	4,111	\$	4,997	\$	0	-\$	55,000
Info Sys Tech Spec I	PERM	0.0	-1.0	\$	3,266	\$	3,969	\$	0	-\$	43,000
Asst Info Systems Analyst - Rg B	PERM	0.0	-4.0	\$	2,994	\$	3,465	\$	0	-\$	155,000
Tax Program Supervisor	PERM	0.0	-1.0	\$	2,898	\$	3,524	\$	0	-\$	39,000
Staff Info Sys Analyst Spec	PERM	0.0	6.0	\$	4,732	\$	5,754	\$	0	\$	377,000
Staff Operations Specialist/Ftb	PERM	0.0	1.0	\$	4,960	\$	6,028	\$	0	\$	60,000
Assoc Info Systems Analyst	PERM	0.0	3.0	\$	4,316	\$	5,247	\$	0	\$	172,000
Sr Info Systems Analyst Spec	PERM	0.0	2.0	\$	5,206	\$	6,327	\$	0	\$	138,000
Asst Info Systems Analyst	PERM	0.0	1.0	\$	4,316	\$	5,247	\$	0	\$	39,000
Sys Software Spec II Tech	PERM	0.0	1	\$	5,196	\$	6,316	\$	0	\$	69,000
Total Technology Services Division		<u>.0</u>	<u>-41</u>				<u>\$</u>	<u>0</u>	<u>-\$</u>	<u>2,488,000</u>	
Adjust for Part Year Positions		<u>.0</u>	<u>0</u>								
Net Positions/ PYs before salary savings		<u>.0</u>	<u>-41</u>								
Total Salaries and Wages	Positions	<u>.0</u>	<u>-169</u>				<u>\$</u>	<u>0</u>	<u>-\$</u>	<u>8,467,000</u>	
	Part Yr Adj	<u>.0</u>	<u>0</u>								
	P.Y.s	<u>.0</u>	<u>-169</u>								

**Schedule of Staff Benefits Costs
FOR FISCAL YEAR 2005/06**

Staff Benefits	<u>2004/05</u>	<u>2005/06</u>
OASDI	\$ 0	-\$ 610,000
Dental	0	-108,000
Health	0	-1,009,000
Retirement	0	-1,268,000
Vision	0	-30,000
Medicare	0	-100,000
Worker's Comp	0	-68,000
Industrial Disability	0	-5,000
Non Industrial Disability	0	-7,000
Unemployment Insurance	0	-33,000
Total Staff Benefits	<u>\$ 0</u>	<u>-\$ 3,238,000</u>