

**Franchise Tax Board
FY 2009/10 Budget Development
Summary of Proposed
Budget Change Proposals**

| BCP ISSUE | 2009/10 Revenue | 2009/10 Cost Estimate | Positions | Summary |
|------------------------------------------------|--------------------|-----------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | (In Thousands) | | | |
| Withhold at Source | \$2,000 | \$3,582 | 0.0 | This proposal requests continued project funding for year two of a multi-year project, to replace a system that processes non-wage withholding payments. The new system will increase revenue and compliance by identifying more nonfilers, improve operational efficiencies, better secure customer data, as well as provide stability and ensure flexibility to handle new withholding programs. |
| Compliance Workload Augmentation | TBD | TBD | TBD | This proposal requests additional positions and funding to address revenue generating workloads beyond our planned resources in the Audit Program. FTB is in the process of completing a workplan for FY 2009/10 to determine position and funding needs for additional workloads. |
| Underground Economy Criminal Investigation | TBD | \$1,000 | 10.0 | This proposal requests 10 permanent positions and associated funding to work Underground Economy Criminal cases in the Investigations Bureau. This request will replace 10 limited term positions that will expire in FY 2008/09. If this request is denied FTB will not be able to assess approximately \$100 million in unreported income for current inventory cases and millions of dollars in revenue from future cases of unreported income. |
| Human Resource Staffing Need | - | \$586 | 10.0 | This proposal requests 10 positions and associated funding to adequately staff the Personnel Services Section to process payroll, attendance, hiring and benefit services. This will reduce Temporary Help and Overtime expenditures and enhance customer service. The average roster size for a Personnel Specialist statewide is 243:1. FTB's average roster size is 299:1. |
| Court Ordered Debt Collection Expansion (CODE) | TBD | TBD | TBD | This proposal represents year four of the five-year expansion project. This BCP requests permanent positions and associated funding to enable the CODE project to continue with the development and implementation of the new collection system and address program workload growth. Some of these positions will replace limited term positions that will expire in FY 2008/09 for ongoing maintenance of the system. FTB is in the process of completing a workplan for FY 2009/10 to determine adequate staffing levels for the collection program. |
| Vehicle Registrations Collection (VRC) | - | \$1,500 | 24.0 | This proposal requests 24 permanent positions and associated funding to enable the VRC Program to continue to meet the increased workload demands and collection requirements. These positions will replace limited term positions set to expire in FY 2008/09. If the proposal is not approved, it will result in a decrease in current revenue collected for DMV. |

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| Enterprise Data to Revenue Project (EDR) | - | \$2,300 | 0.0 | This request represents the first year of a multi-year Project Oversight (IV&V) Contract estimated at \$9.3 million over the life of the EDR project. EDR is the first project of the Tax System Modernization project that will: <ul style="list-style-type: none"> -- More fully automate and integrate how we process returns. -- Image all paper returns. -- Expand return data capture and return validation. -- Make return and third party data available enterprise-wide. -- Provide enterprise services to enhance and replace redundant |
| IT Refresh | - | TBD | 0.0 | This proposal will allow us to proactively plan for the replacement of our IT infrastructure to ensure baseline services are supported. Refresh funding will address: <ul style="list-style-type: none"> -- Windows and Unix servers as they reach end-of-life, fall out of warranty, or no longer perform as needed. -- Hardware and software licensing components for Windows and Unix servers. -- Qualifying desktops and notebooks five years of age or older. -- Copiers and network printers six years of age or older. -- Storage and backup/restore infrastructure. |
| IT Workload Growth | - | \$2,100 | 0.0 | This proposal provides for various upgrades to computing infrastructure components to keep up with projected workload growth. Proposed funding will allow for: <ul style="list-style-type: none"> --Increased mainframe processing capacity (\$1.5 million) --Memory and CPU upgrades for INC Data Warehouse (\$300K) --Additional storage and connectivity upgrades for the Enterprise Data Warehouse platform (\$300K) |
| Financial Institution Record Match (FIRM) and Payor File Reengineering | \$40,000 | \$2,344 | 6.7 | This proposal requests additional funding and positions to implement pending legislation that will require financial institutions doing business in California to match information on delinquent tax and non tax debtors against their customer records. Revenue projections for the first three years are \$40, \$65, and \$100 million, respectively. |
| Occupational License Suspension | \$1,000 | TBD | TBD | This proposal requests additional positions and funding to implement AB 1925. This pending legislation will amend the Revenue & Taxation Code (section 19265) to allow FTB to suspend state issued occupational and professional licenses for failure to pay tax delinquencies. The possibility of losing—and the actual loss of—the privilege to hold an occupational or professional license would be an effective collection tool to ensure payment of income tax debts by licensees who do businesses in cash in California. |
| External Authentication for Secure eServices (EASE) | - | TBD | TBD | This proposal will enhance the security of FTB's online service environment and provide a robust authentication solution for personal and corporate taxpayers that access FTB's online services. The authentication method will conform to industry standards for security and usability. Currently, the method taxpayers use to access FTB's secure online services is an FTB-assigned Customer Service Number (CSN) and the taxpayer's Social Security Number (SSN). This CSN retrieval process is cumbersome to the taxpayer and costly to FTB to maintain. |