

**FRANCHISE TAX BOARD
Budget Act Highlights FY 2008-09**

(Dollars in thousands)

The 2008-09 total operating budget for FTB is \$565.8 million and includes authority for 5,332.3 PY (personnel years). This is \$93.6 million less than the total approved 2007-08 Budget Act and a 166.9 increase in PYs. The General Fund decrease is \$4.5 million.

The chart below identifies the major changes outlined above. These changes include the resources associated with approved budget change proposals, policy adjustments, and baseline adjustments:

	<u>DOLLARS</u>	<u>GF Amount</u>	<u>PYS</u>	<u>GF REVENUE</u>
FY 2007-08 BUDGET AS SIGNED	<u>\$659,477</u>	<u>\$519,196</u>	<u>5,165.4</u>	
2008-09 BCPs and Baseline Adjustments:				
BCP 3 - Tax Gap	\$6,438	\$6,438	65.1	\$22,300
BCP 5 - Encoder Replacement	1,150	1,087	0.0	0
BCP 6 - Withhold at Source System Project	654	654	0.0	1,900
BCP 7- Court Ordered Debt Collection	3,893	0	53.8	0
BCP 9 - Security Workload Growth	27	14	-3.3	0
BCP 13 - California Sea Otter Fund	6	0	0.0	0
BCP 14 - Compliance Enhancement	9,860	9,860	131.7	71,000
BCP 15 - CA Child Support Automation	-7,906	7,933	-10.2	0
Retirement Adjustment per Section 3.60	-890	-840	0.0	0
Employee Compensation	12,659	11,781	0.0	0
Unallocated Reduction Restored	2,742	2,742	0.0	0
Prorata, One Time Costs for LT Pos, OE&E, & Full Year Annual	-37,564	-3,578	-54.6	0
Price Increase (2.4% Adj.)	2,991	2,672	0.0	0
Rent Cost Adjustments, CS 4.04, & CS 15.25	-2,306	-1,975	0.0	0
FY 2008-09 GOVERNOR'S BUDGET	<u>\$651,231</u>	<u>\$555,984</u>	<u>5,347.9</u>	<u>\$95,200</u>
2008-09 FINANCE LETTERS AND LEGISLATIVE ADJUSTMENTS:				
FL 1 - CCSAS Transition To DCSS	-\$88,617	-\$44,531	-73.0	\$0
FL 3 - LLC Protective Claims	178	178	2.8	0
FL 4 - Inactive Accounts Receivable	576	576	8.5	8,000
FL 5 - Additional RAR Workload	2,039	2,039	28.0	27,000
FE Manual Workload	1,107	1,107	15.3	9,000
Modify Group Income Tax Return	100	100	0.0	2,000
Salary Savings Adjustment	-900	-900	0.0	0
LLC Payment Acceleration	289	289	2.8	360,000
Rounding Adjustments	1	1	0.0	0
Subtotal Change Book Adjustments:	<u>-\$85,227</u>	<u>-\$41,141</u>	<u>-15.6</u>	<u>\$406,000</u>
VETO ITEMS - Political Reform Audit	-\$175	-\$175	0.0	0
TOTAL 2008-09 BUDGET ACT ^{a/}	<u>\$565,829</u>	<u>\$514,668</u>	<u>5,332.3</u>	<u>\$501,200</u>

^{a/} Totals include funding of \$1.572 million General Fund budgeted in Item 8640-001-0001 (Political Reform Audit Program) and \$404,000 in General Fund budgeted in the Delinquent Tax Collection Fund.