

Franchise Tax Board
Fiscal Year 2016-17
Budget Change Proposals

BCP Issue		2016-17 Cost (in thousands)	2016-17 Positions	2017-18 Positions	Summary
1.	Enterprise Data to Revenue Project	\$72,000	268	NA	268 positions •148 TH (existing baseline/prior year EDR BCPs) • 51 Perm (new) • 41 TH to Perm • 28 LT to Perm Position upgrade cost Final vendor payment Costs to exercise first year MO option HW/SW upgrades
2.	E-Commerce Infrastructure Refresh	\$3,500	-	NA	Requests \$3.4 million General Fund and \$149,000 special funds for 2016-17, \$1.8 million General Fund and \$81,000 special funds for 2017-18, and \$163,000 General Fund and \$7,000 special funds in 2018-19 and ongoing to refresh and expand the Internet network infrastructure, which is reaching end of life (EOL) beginning February 2017. 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.
3.	Accounts Receivable Management Program	\$8,200	101	NA	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.
4.	Tax Gap	\$1,500	13	20	Requests 13 permanent positions and \$1.5 million General Fund in 2016-17, and 7 additional permanent positions and \$2.3 million General Fund in 2017-18 and ongoing to continue to address key factors contributing to the overall tax gap of California. The initiatives in the proposal will generate an additional \$3 million general fund revenue in 2016-17 and \$4 million annually thereafter. The proposal will focus on the following tax gap initiatives: 1. Audit Workloads - 6 positions 2. Underground Economy Criminal Investigations 14 positions (7 in 2016-17 and 7 in 2017-18)
		\$85,200	382	20	

BCP Issue		2016-17 Cost Estimate (in thousands)	2016-17 Positions	2017-18 Positions	Summary
1.	Customer Service Resources	TBD	TBD	TBD	Resources to support our customer service activities.