

STATE OF CALIFORNIA
Budget Change Proposal- Cover Sheet
 DF-46 (REV 03/13)

Fiscal Year 2014/15	BCP No. 2	Org. Code 7730	Department Franchise Tax Board	Priority No. 2
Program Tax Programs			Element N/A	Component N/A

Proposal Title
Accounts Receivable Management Program

Proposal Summary

The Franchise Tax Board (FTB) is requesting to continue 115 expiring two-year limited term Tax Program positions and \$8.8 million General Fund. Specifically, FTB proposes to extend these two-year limited term positions for two more years. The current positions will expire on June 30, 2014. The extension of these existing positions will address the ongoing Accounts Receivable inventory. Revenue generated from this proposal is anticipated to be \$124 million in 2014/15 and \$124 million in 2015/16 at a cost benefit ratio (CBR) of \$15 to \$1.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
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For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the California Technology Agency, or previously by the Department of Finance.

FSR SPR Project No. Date:

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.

Prepared By	Date	Reviewed By	Date
Department Director	Date	Agency Secretary	Date

Pending Board Approval

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE CALSTARS Technology Agency

BCP Type: Policy Workload Budget per Government Code 13308.05

PPBA	Date submitted to the Legislature
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Fiscal Summary
(Dollars in thousands)

BCP No 2	DATE August 14, 2013	Proposal Title: Accounts Receivable Management Program	PROGRAM Tax Programs
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	Positions			FY 2013/14	FY 2014/15	FY 2015/16
	<u>CY</u>	<u>BY</u>	<u>BY + 1</u>	<u>CY</u>	<u>BY</u>	<u>BY + 1</u>
Total Salaries & Wages /1	.0	115.0	115.0	\$ 0	\$ 5,689,000	\$ 5,689,000
Total Staff Benefits /2				\$ 0	\$ 2,882,000	\$ 2,882,000
Total Personal Services				\$ 0	\$ 8,571,000	\$ 8,571,000

Operating Expenses and Equipment

General Expense /3	\$ 0	\$ 105,000	\$ 105,000
Printing /4	0	3,000	3,000
Communications /5	0	74,000	74,000
Postage	0	0	0
Travel-In-State	0	0	0
Travel Out-of-State	0	0	0
Training	0	0	0
Facilities Operations	0	0	0
Utilities	0	0	0
Cons & Prof Svs - Interdept'l	0	0	0
Cons & Prof Svs - External	0	0	0
Data Center Services	0	0	0
Information Technology /6	0	31,000	31,000
Equipment	0	0	0
Other/Special Items of Expense	0	0	0
Total Operating Expense & Equipment	\$ 0	\$ 213,000	\$ 213,000

TOTAL STATE OPERATIONS EXPENDITURES

<u>Fund Source</u>	<u>Item No.</u>					
	Org	- Ref	- Fund			
General Fund	7730	001	0001	\$ 0	\$ 8,784,000	\$ 8,784,000
				0	0	0
				0	0	0
				0	0	0
				0	0	0
				0	0	0
				0	0	0
Totals				\$ 0	\$ 8,784,000	\$ 8,784,000

Total Local Assistance Expenditures

<u>Fund Source</u>	<u>Item No.</u>					
	Org	- Ref	- Fund			
				\$ 0	\$ 0	\$ 0
				0	0	0
				0	0	0
				0	0	0
				0	0	0
				0	0	0
Totals				\$ 0	\$ 0	\$ 0

Grand Total, State Operations and Local Assistance

\$ 0	\$ 8,784,000	\$ 8,784,000
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- /1 Itemized positions by classification on the Personal Services Detail worksheet.
- /2 Benefit detail on the Personal Services Detail worksheet.
- /3 General Expense @ \$910 per position
- /4 Printing Costs @ \$27 per position.
- /5 Communication costs @ \$644 per position.
- /6 Hardware and software maintenance

PERSONAL SERVICES DETAIL
(Whole Dollars)

BCP No 2	DATE August 14, 2013	Proposal Title: Accounts Receivable Management Program	PROGRAM Tax Programs
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Positions		Positions			Salary Range	CY	Dollars		
		CY 2013/14	BY 2014/15	BY + 1 2015/16			CY	BY	BY + 1
Accounts Receivable Management Division									
Administrator I	LT EXP 06/30/2016	0.0	7.0	7.0	\$ 5,076	\$ 6,670	\$ 0	\$ 493,000	\$ 493,000
Administrator II	LT EXP 06/30/2016	0.0	2.0	2.0	\$ 5,573	\$ 7,326	\$ 0	\$ 155,000	\$ 155,000
Sr Compliance Rep.,Ftb	LT EXP 06/30/2016	0.0	30.0	30.0	\$ 4,619	\$ 5,784	\$ 0	\$ 1,873,000	\$ 1,873,000
Compliance Rep. Ftb - Rg B	LT EXP 06/30/2016	0.0	65.0	65.0	\$ 3,204	\$ 3,819	\$ 0	\$ 2,739,000	\$ 2,739,000
Tax Program Tech I, Ftb	LT EXP 06/30/2016	0.0	4.5	4.5	\$ 2,638	\$ 3,305	\$ 0	\$ 160,000	\$ 160,000
Tax Program Tech II,Ftb	LT EXP 06/30/2016	0.0	1.0	1.0	\$ 2,951	\$ 3,696	\$ 0	\$ 40,000	\$ 40,000
Total Accounts Receivable Management Division		.0	109.5	109.5			\$ 0	\$ 5,460,000	\$ 5,460,000
Adjust for Part Year Positions		.0	.0	.0					
Net Positions		.0	109.5	109.5					
Filing Division									
Key Data Operator - Rg B	LT EXP 06/30/2016	0.0	0.5	0.5	\$ 2,450	\$ 3,064	\$ 0	\$ 17,000	\$ 17,000
Tax Program Assistant - Rg B	LT EXP 06/30/2016	0.0	3.0	3.0	\$ 2,074	\$ 2,594	\$ 0	\$ 84,000	\$ 84,000
Total Filing Division		.0	3.5	3.5			\$ 0	\$ 101,000	\$ 101,000
Adjust for Part Year Positions		.0	.0	.0					
Net Positions		.0	3.5	3.5					
Technology Services Division									
Assoc Info Systems Analyst	LT EXP 06/30/2016	0.0	2.0	2.0	\$ 4,619	\$ 6,074	\$ 0	\$ 128,000	\$ 128,000
Total Technology Services Division		.0	2.0	2.0			\$ 0	\$ 128,000	\$ 128,000
Adjust for Part Year Positions		.0	.0	.0					
Net Positions		.0	2.0	2.0					
Total Salaries and Wages									
Positions		.0	115.0	115.0			\$ 0	\$ 5,689,000	\$ 5,689,000
Part Yr Adj		.0	.0	.0					
Net Positions		.0	115.0	115.0					

Staff Benefits Detail

	2013/14	2014/15	2015/16
OASDI /7	\$ 0	\$ 352,000	\$ 352,000
Health/Dental/Vision Insurance /8	0	1,246,000	1,246,000
Retirement - Miscellaneous /9	0	1,166,000	1,166,000
Worker's Compensation /10	0	31,000	31,000
Industrial Disability Leave/11	0	2,000	2,000
Non Industrial Disability Leave /12	0	3,000	3,000
Unemployment Insurance /13	0	0	0
Medicare /14	0	82,000	82,000
Total Staff Benefits	\$ 0	\$ 2,882,000	\$ 2,882,000

7/ For permanent and overtime, 6.2% of salary.

8/ Health - For Permanent \$10,150 per position; Dental - For permanent \$587 per position;
Vision - for permanent \$106 per position.

9/ For permanent, 20.503% of salary.

10/ 0.55% of salary for permanent.

11/ 0.03% of salary for permanent.

12/ 0.06% of salary for permanent.

13/ 8.8% of salary for temporary help.

14/ 1.45% of salary for permanent.

FISCAL YEAR 2014/15
 SUPPLEMENTAL INFORMATION
 (\$ in Thousands)

Identify all proposed items which fit into the categories listed below.

	<u>Current Year</u>	<u>Budget Year</u>	<u>Budget Year + One</u>
<u>Proposed Equipment</u>	\$ 0	\$ 0	\$ 0
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Proposed Contracts</u>	\$ 0	\$ 0	\$ 0
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>One-Time Costs</u>			
Personal Services - Limited Term Positions	\$ 0	\$ 8,571	\$ 8,571
Operating Expenses & Equipment - Limited Term Positions	0	213	213
Total	<u>\$ 0</u>	<u>\$ 8,784</u>	<u>\$ 8,784</u>
<u>Future Savings</u>	\$ 0	\$ 0	\$ 0
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Full-Year Cost Adjustments</u>	\$ 0	\$ 0	\$ 0
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Facilities/Capital Costs</u> - indicate one-time or ongoing	\$ 0	\$ 0	\$ 0
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Problem

A. Proposal Summary

The Franchise Tax Board (FTB) is requesting to continue 115 expiring two-year limited term Tax Program positions and \$8.8 million General Fund. Specifically, FTB proposes to extend these two-year limited term positions for two more years. The current positions will expire on June 30, 2014. The extension of these existing positions will address the ongoing Accounts Receivable inventory. Revenue generated from this proposal is anticipated to be \$124 million in 2014/15 and \$124 million in 2015/16 at a cost benefit ratio (CBR) of \$15 to \$1.

In light of the fiscal issues facing the state of California, we continue to look for ways to maximize revenue collections and reduce the Tax Gap. Consistent with our Strategic Plan, we are committed to improving our operational accountability and efficiency. This proposal will achieve these goals by providing resources to assist noncompliant taxpayers with the necessary tools to help move them to voluntary compliance.

We are requesting to extend the limited term positions for two more years, at which time the Enterprise Data to Revenue (EDR) project will be completed. At that time we can reassess our personnel needs and determine the appropriate staffing level based on the efficiencies realized through EDR.

B. Background/History

Pursuant to Revenue and Taxation Code sections 19252 and 19501, FTB's tax collection activities involve collection against accounts receivables that are established by the department's self-assessment, audit, settlement and filing enforcement activities. Both an automated billing system and collection staff administer collection activities. The automated system supports the collection processes by issuing billings, notices, liens, levies, attachments of assets and, when further action is necessary, routes accounts to collectors. Manual collection efforts are conducted by the department's collection staff to ensure that all taxpayers pay the proper amount owed. In 2012/13, FTB's tax activities resulted in the collection of \$2.6 billion of General Fund revenues.

In 2013/14, the Accounts Receivable Management Division is authorized for \$93.3 million and 1,259 positions, including 138 new collection positions received July 1, 2013 through the 2013-14 EDR BCP, for tax collection activities. Tax revenue is projected to be \$2.7 billion. The table below shows the historical resource data for the division.

Resource History
(Dollars in thousands)

Program Budget	2008-09	2009-10	2010-11	2011-12	2012-13
Authorized Expenditures	\$73,500	\$67,800	\$81,500	\$79,300	\$80,773
Actual Expenditures	\$69,700	\$67,800	\$77,500	\$77,818	\$80,180
Revenues	\$2,099,000	\$2,061,000	\$2,250,500	\$2,656,700	\$2,576,100
Authorized Positions	1,097	1,025	1,138	1,137	1,120
Filled Positions	1,048	955	1,029	1,070	1,100
Vacancies ¹	49	70	109	67	20

Specific to the history of this proposal, FTB was granted the following limited term resources to maximize our collection efforts and reduce our receivable debt balance:

1. In 2010/11, FTB was granted 111 two-year limited term positions to address the ongoing increase of our Accounts Receivable inventory. These positions expired on June 30, 2012 and were reestablished for two more years, expiring on June 30, 2014.²

¹ Vacancies for the Accounts Receivable Management Division peaked in 2010/11 due to the impact of continued attrition and imposition of an Executive Order freezing all hiring.

Analysis of Problem

2. In 2010/11, FTB received 14 two-year limited term positions to continue with the pilot for Department of Motor Vehicles (DMV) Luxury Vehicle Program. These positions expired on June 30, 2012 and were also reestablished for two more years, expiring on June 30, 2014. The pilot will be completed at the end of 2013/14 and the 14 two-year limited term positions are needed for other collection workloads and will be redirected to the most compelling collection program business need(s).

Additional information about these resources is included below.

1. Accounts Receivable Workload

FTB's accounts receivable inventory volume steadily increased through 2010/11, after which inventory levels began leveling off and stabilized over the subsequent two years. This was, in part, due to the additional limited term resources granted FTB. The accounts receivable inventory decreased during 2011/12 and rose slightly again in 2012/13. From 2009/10 to 2012/13 the Personal Income Tax (PIT) inventory has increased five percent and the Business Entities (BE) inventory has increased seven percent. This represents a marked improvement over the five year view (2007/08 to 2011/12) provided in the 2012/13 Accounts Receivable Management Program BCP, which reported 46 percent and 49 percent inventory growth for these programs, respectively.

Three factors are at work in the stabilization of the receivables – one relates to the improvement in the economy which places taxpayers in a better position to pay what they owe when they file their return. The second relates to the impact these subject resources have had on our ability to work the receivables closer to establishment when liabilities are lesser and assisting taxpayers in paying their debts is more effective. The third is the identification of unproductive accounts in preparation for EDR collection system enhancements that resulted in significantly more collection cases being discharged during 2011/12 than in previous years. Retention of these limited term positions is critical to FTB's continued ability to effectively and efficiently manage the accounts receivable inventory.

The account receivables balance is approximately \$8.5 billion, of which \$4.8 billion represents collectible inventory.³

The table below represents the history of the accounts receivable inventory during the last five years.

Accounts Receivable Inventory Workload History

Beginning Inventory	Personal Income Tax		Business Entities		Total	
	Volume	Balance <i>(Dollars in thousands)</i>	Volume	Balance <i>(Dollars in thousands)</i>	Volume	Balance <i>(Dollars in thousands)</i>
07/01/2008	1,080,000	\$4,759,000	230,000	\$1,418,000	1,310,000	\$6,177,000
07/01/2009	1,250,000	\$5,766,000	280,000	\$1,906,000	1,530,000	\$7,672,000
07/01/2010	1,540,000	\$6,410,000	330,000	\$1,951,000	1,870,000	\$8,361,000
07/01/2011	1,600,000	\$6,827,000	300,000	\$1,712,000	1,900,000	\$8,539,000
07/01/2012	1,230,000	\$6,234,000	277,000	\$1,762,000	1,507,000	\$7,996,000
07/01/2013	1,313,000	\$6,264,000	300,000	\$2,189,000	1,613,000	\$8,453,000

In 2010/11, FTB requested funding through BCP #11 to address the growing accounts receivable balance and inventory and was granted 111 two-year limited term positions. The actual revenue for this effort was \$55.7 million at a CBR of \$7 to \$1 for 2010/11 and \$113.2 million at a CBR of \$14.7 to \$1 for 2011/12.

In 2012/13, the 111 two-year limited term positions were extended for an additional two years through BCP #2. The actual revenue was \$113.4 million at a CBR of \$14.5 to \$1 for 2012/13 and is projected to be \$108 million at a CBR of \$14 to \$1 for 2013/14.

² Of the 111 positions, ten overhead positions were eliminated due to Budget Letter 12-03.

³ Collectible inventory does not include installment agreements, withholding orders, outside collections and special programs.

Analysis of Problem

These limited term positions have played a significant role in stabilizing the account receivables inventory. The additional positions have allowed FTB to manage the inventory, reduce prior year receivables and timely process new cases as they enter the collection program. The positions are also a critical component in the department's plan to meet its revenue goals.

This funding request supports ongoing and recently implemented initiatives to address the Tax Gap. In addition, we continue to research and implement other strategies to help reduce the Tax Gap and increases to the account receivables. These strategies include the following:

Ensure staff works the highest cost to benefit ratio workloads.

Utilizing better data and enforcement tools:

- Enterprise Data to Revenue Project – In progress
- Federal Treasury Offset Program – Implemented
- Top 500 Delinquent Tax Debtors Program – Implemented
- Financial Institution Record Match Project – Implemented

Partnering with other agencies:

- Data sharing for compliance purposes – In progress

Outsourcing:

- In-state collections with vendor sooner - Ongoing
- Out-of-state collections with vendor sooner - Ongoing
- Out-of-state judgments - Ongoing

2. DMV Luxury Vehicle Program

Beginning 2008/09, FTB initiated a two-year pilot to evaluate the use of luxury vehicle registration information from DMV as a data source. FTB's collection program was granted funding in 2008/09 to utilize DMV's extract information to obtain better addresses and possible asset information to analyze accounts, issue missing year assessments, and improve collections. In 2010/11 FTB requested funding through *BCP #1-Tax Gap Compliance Enhancement Measures* to continue the DMV Luxury Vehicle workloads to help close the Tax Gap. The actual revenue for this pilot program in 2010/11 was \$15.2 million, at a CBR of \$14 to \$1. In 2011/12 revenue for this workload was \$16.3 million at a CBR of \$15.6 to \$1. In 2012/13 FTB again requested funding through *BCP #2 – Accounts Receivable Management Program* to continue the DMV Luxury Vehicle workloads to further refine the study and determine the usefulness of the DMV Luxury Vehicle data to the collection program. Revenue for this program was \$15.7 million in 2012/13, well above projections, at a CBR \$15 to \$1. Revenue is projected to be \$16.2 million in 2013/14.

The DMV Luxury Vehicle Program is scheduled to sunset at the end of 2013/14. The study was successful and use of the DMV luxury vehicle registration data will be incorporated into the collection program as another collection resource available for use by all collectors. The 14 two-year limited term positions are needed for other collection workloads and will be redirected to the most compelling collection program business need(s).

C. State Level Considerations

In light of the fiscal issues facing the state of California, FTB continues to take comprehensive action to narrow the Tax Gap, resulting in more equitable taxation for those taxpayers who voluntarily comply with the state tax laws. The collection program effectively and fairly addresses all debtor types, producing an overall compliance effect that protects the state's revenue base. FTB has made considerable strides over the last six years to combat a variety of elements contributing to this ever-growing issue.

This funding request soundly supports FTB's mission to fairly and effectively administer the state's tax system. The FTB mission is "to provide the services and information to help taxpayers file accurate and timely tax returns and pay the proper amount owed. To accomplish this mission, we develop knowledgeable and engaged employees, administer and enforce the law with fairness and integrity, and responsibly manage the resources allocated to us." This proposal fully supports FTB's mission and *Strategic Plan Goal of Effective Enforcement* which states that "we will administer and enforce the law effectively to ensure all taxpayers meet their obligations to file and pay the proper amount owed."

Analysis of Problem

The added revenue coupled with the improvement to taxpayer compliance will provide many long-term benefits to the state. Associated benefits that not only increase the General Fund, but also improve public perception and awareness in order to fully buy in to and accurately participate in the taxation process for the benefit of all Californians.

D. Justification

Due to the economy and changing patterns of self-compliance, FTB's accounts receivable inventory increased dramatically. In response to this growth, FTB sought, and was granted, additional resources. Several factors, including these additional resources, have contributed to the stabilization of the receivables inventory. This proposal would further the department's efforts to narrow the Tax Gap by maintaining existing levels of compliance resources that enhance the state's ability to collect outstanding debts in order to stabilize the department's accounts receivable inventory.

Additional information justifying these resources is included below.

1. Accounts Receivable Workload Growth

FTB is using all available collection resources and strategies in an effort to process its accounts receivable inventory. Without the continued funding for these resources FTB will be unable to keep up with the accounts receivable inventory, resulting in aged accounts, workload backlogs and loss in revenue that would otherwise benefit the state's General Fund. Providing continued funding will allow FTB to maximize our collection efforts. This proposal is estimated to generate revenue of \$124 million in 2014/15 and 2015/16.

During 2012/13, these limited term positions⁴ generated revenue of \$129.1 million, which was 7.5 percent higher than the \$120 million projected in the 2012/13 Accounts Receivable Management Program BCP. Overall collection revenue for 2012/13 was \$2.6 billion. In 2013/14, revenue from these positions is projected to be \$124 million and total revenue is projected to be \$2.7 billion.

The table below represents the revenue potential of this program. Without the continuation of these resources this work associated to them will go undone, the account receivables inventory will grow and the state will not realize the \$124 million in revenue.

Accounts Receivable Management Program

Proactive Collections Workload

(Dollars in thousands)

Workload	Projected Resolutions	Hours per Case	Hours Needed	Revenue per Case	Projected Revenue
Proactive Collections	30,769	5.4	166,155	\$4,030	\$124,000

The work performed by the limited term staff was factored into the collection program's position request for FTB's Enterprise Data to Revenue (EDR) project. Without these limited term positions in place the need for collection program positions would have been increased by the same amount for the EDR project. These positions are a critical component of the department's plan to meet revenue projections.

E. Outcomes and Accountability

As shown in the table below, revenue generated from this proposal is anticipated to be \$124 million in 2014/15 and \$124 million in 2015/16.

⁴ Resources related to the Accounts Receivable workload and the DMV Luxury Vehicle Program.

Analysis of Problem

Projected Outcomes

(Dollars in thousands)

Workload Measure – Revenue	2012-13	2013-14	2014-15	2015-16
Accounts Receivable Workload Growth	\$113,400	\$108,000	\$124,000	\$124,000
DMV Luxury Vehicle Program	\$15,700	\$16,217	\$0	\$0
TOTAL	\$129,100	\$124,217	\$124,000	\$124,000

FTB utilizes best business practices to determine the most efficient and effective methods to address various workloads that will maximize the cost benefit ratio for every dollar spent. Resources are continuously re-evaluated for possible redirection to reach, and exceed, the department's revenue goals. The Accounts Receivable Management Division Chief is responsible for the overall management of the department's collection program. While the program and budget staff is assigned the responsibility of monitoring the use of resources associated with this proposal, the ultimate responsibility still remains with the department's Chief Financial Officer.

F. Analysis of All Feasible Alternatives

Alternative #1: *Approve funding of \$8.8 million and 115 limited term positions*

This alternative will extend funding of 115 limited term positions for an additional two years. These positions are critical to our ability to manage the account receivables inventory efficiently and effectively. While limited term positions have been shown to be more costly to the state by increasing our costs of interviewing, hiring, and training, by maintaining our existing resources for two more years FTB will be able to maintain and improve the collection services and reevaluate our personnel needs at the completion of the EDR project. The projected revenue is \$124 million in 2014/15 and \$124 million in 2015/16 and benefits the state General Fund. FTB does not consider this workload a limited term workload.

Alternative #2: *Approve funding of \$8.8 million and 115 permanent positions*

This alternative allows us to continue existing Tax Gap activities already underway. By continuing these initiatives, we can realize considerable revenue, strengthen our foundation in moving forward with combating the Tax Gap in the years to come and stabilize the receivables. FTB does not have existing resources available to redirect to these initiatives without impacting the ability to generate revenue from other workloads such as audit or filing enforcement. Projected revenue is \$124 million in 2014/15 and ongoing.

Alternative #3: *Approve funding of \$7.7 million and convert 101 limited term positions to permanent.*

This alternative proposes funding to convert the 101 two-year limited term positions to permanent. This will allow FTB to continue to address the accounts receivable inventory growth that is expected and collect the projected amount of \$108 million in 2014/15 and ongoing. We would not redirect the 14 positions associated with the DMV Luxury Vehicle Program, which will sunset at the end of 2013/14, and not realize the additional revenue of \$16 million in 2014/15 and ongoing associated to these positions if they were redirected to the most compelling collection program business need.

Alternative #4: *Do not approve this request.*

This approach fails to maintain FTB's efforts to further combat the Tax Gap. The taxpayers of California will continue to experience the increasing burden of paying more than their fair share of taxes.

G. Implementation Plan

- June 2014 – Original limited term positions from the 2010/11 Accounts Receivable Growth and Tax Gap BCPs are scheduled to expire.
- June 2014 - 607 documents to establish 115 limited term positions are prepared and approved by the FTB Budget Officer and forwarded to the Department of Finance.
- June 2014 – Department of Finance notifies FTB of position approval.
- July 1, 2014 – Positions are established with the incumbents in place.

Analysis of Problem

H. Supplemental Information

None Facility/Capital Costs Equipment Contracts Other LimitedTerm Costs

- Limited Term costs for limited term positions.

I. Recommendation

Alternative 1 is recommended. This alternative requests approval for \$8.8 million and to extend 115 limited term positions for an additional two years. Without the continued funding for these resources, the accounts receivable inventory will age and create backlogs resulting in a loss in revenue that would otherwise benefit the state's General Fund. Providing continued funding will allow FTB to maintain our collection efforts. This proposal is estimated to generate revenue of \$124 million in 2014/15 and 2015/16.