

**International Fuel Tax Agreement (IFTA) Workload Growth
BCP No. 7**

Proposal:

BOE requests authorization to establish new permanent positions by redirecting existing funding within the Transportation Fund Tax Program to help the BOE meet the IFTA requirements. In addition, this proposal requests Operating Expense and Equipment (OEE) funding. This proposal will help the BOE meet the IFTA membership requirements and safeguards the estimated \$3.0 billion in matching federal funds.

	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
Expenditures:	\$1,004,000 (Redirection) \$-0- (New) (\$1,004,000 Motor Vehicle Fuel Account)	\$962,000 (Redirection) \$175,000 (New) (\$1,137,000 Motor Vehicle Fuel Account)	\$1,004,000 \$962 (Redirection) \$42,000 (New) (\$1,004,000 Motor Vehicle Fuel Account)
Positions:	11.0 (New) (10.4 PYs)	11.0 (New) (10.4 PYs)	11.0 (New) (10.4 PYs)

Background:

- The IFTA allows member states to collect transportation fees from truckers who operate in different states. IFTA requires each state to audit 3% of accounts yet California only audited 2.17% of the accounts in 2005.
- In addition, there is a large backlog of unprocessed returns and because returns are not processed timely, monies cannot be transmitted to other jurisdictions as required by the IFTA.
- Legislation specifically for IFTA was added by Stats. 1995, Ch. 555, in effect January 1, 1996, the year California joined IFTA.
- This is a workload increase proposal. The IFTA has produced revenue from its inception. In FY 1996-97, revenue was about \$38 million. In FY 2005-06, revenue was about \$80 million. The program also reduces evasion and promotes voluntary compliance.
- If this proposal is approved, the overall benefit-to-cost ratio of this program will be 11.2 to 1.

Justification:

- With these added resources, the BOE will come into compliance with the IFTA.
- This proposal will increase revenue for the Motor Vehicle Fuel Account by \$2.7 million per year.
- This proposal safeguards the \$3 billion in federal fuel matching funds.
- These additional resources should increase voluntary compliance.

**STATE BOARD OF EQUALIZATION
FISCAL YEAR 2007-08
BCP NO. 7**

TITLE OF PROPOSED CHANGE:

INTERNATIONAL FUEL TAX AGREEMENT (IFTA) WORKLOAD GROWTH

SUMMARY OF PROPOSED CHANGES:

This proposal requests authorization to establish 11.0 new positions by redirecting existing funding of \$1,004,000 (Motor Vehicle Fuel Account) in FY 2007-08, and \$962,000 in FY 2008-09 and ongoing. The net augmentation request involves \$-0- in FY 2007-08. In addition, the BOE requests a budget augmentation for Operating Expense and Equipment cots. This proposal will help the BOE meet the IFTA membership requirements and safeguards the estimated \$3.0 billion in matching federal funds.

Beginning in FY 2007-08 and ongoing, the BOE estimates that the new positions will generate an additional \$2.7 million annually and add to the Motor Vehicle Fuel Account base of \$80 million. The estimated ongoing IFTA program benefit-to-cost ratio is 11.2 to 1 (\$82.7 million revenue/\$7.4 million ongoing cost).

State Board of Equalization

TRANSPORTATION FUND TAX PROGRAM

INTERNATIONAL FUEL TAX AGREEMENT (IFTA)
WORKLOAD GROWTH

Fiscal Year 2007-2008

A. Nature of Request

The Federal government provides transportation funding to California and other states supporting highways, highway safety and transit. As a requirement to receive its estimated \$3.0 billion in federal matching funds, California must fulfill specified requirements including maintaining its membership in the International Fuel Tax Agreement (IFTA). This membership involves stricter requirements including auditing accounts and enhanced sanctions. This proposal addresses these stricter requirements and potential sanctions.

To meet the IFTA requirements, the BOE requests authorization to establish 11.0 permanent positions by redirecting existing funding of \$1,004,000 in Fiscal Year (FY) 2007-08, and \$962,000 in FY 2008-09 and ongoing. The net augmentation request involves \$-0- in FY 2007-08; therefore this request is for position authority only. In addition, the BOE requests a budget augmentation of \$175,000 in FY 2008-09 and \$42,000 in FY 2009-10 and ongoing for Operating Expense and Equipment (OE and E) costs. Approval of this proposal will allow the BOE to meet the IFTA requirements by conducting a sufficient number of audits of truckers under the IFTA and add compliance staff to process IFTA tax returns. Also, this staff will transmit monies or billings to other jurisdictions participating in the IFTA in a timely manner.

With this proposal, the BOE plans to help secure continued federal matching funds by fulfilling its IFTA membership requirements. Also, this proposal is estimated to add an additional \$2.7 million annually to the \$80 million revenue base for the IFTA program. These monies are used for California's Transportation Tax fund to repair, maintain and expand California's infrastructure, including highways, roads and bridges. The estimated ongoing IFTA program benefit-to-cost ratio is 11.2 to 1 (\$82.7 million revenue/\$7.4 million cost). This proposal will also increase revenue for other IFTA jurisdictions and help address legislative concerns regarding the BOE's reversion of personal services funding.

B. Background/History

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) required the 48 contiguous US States to join a multi-jurisdictional reciprocity agreement for fuel taxes. The IFTA is an agreement between the 48 contiguous U.S. States and 10 Canadian Provinces that facilitates efficient collection and distribution of use fuel taxes in the United States and Canada. The agreement also simplifies fuel tax licensing and reporting requirements for interstate truckers. The IFTA is the qualifying agreement for this requirement of the ISTEA. Failure for a state to join the IFTA would result in the federal government withholding federal fuel matching funds. California's matching funds are an estimated \$3.0 billion each year. The BOE administers California's participation in the IFTA program and California has been a member jurisdiction of the IFTA since 1996. Under the IFTA, truckers register with their base jurisdiction (e.g. one of the 48 contiguous US States or one of the ten participating Canadian Provinces) and obtain an annual license and decals (credentials) for their trucks.

B. Background/History (Continued)

The trucker files quarterly fuel tax reports, declaring their fuel purchases and miles traveled in each jurisdiction. This process eliminates the need for truckers to register, file reports, request refunds or pay amounts due on the report, and participate in audits for each individual jurisdiction. For California-based IFTA-registered truckers, the BOE is responsible for all these activities on behalf of all the participating states and provinces.

When California joined the IFTA 10 years ago, staffing was based on 8,000 truckers registering with the BOE as their base jurisdiction. As of May 2006, the California-based IFTA-registered truckers exceeded 17,000, more than double the original number in 1996.

➤ Audit Gap

The number of audits required under the IFTA is 3% of the number of registered truckers in the first three calendar quarters of the preceding year. This determines the number of audits required for the current calendar year. It is important to note that the number of accounts active at the end of a calendar year are not all subject to audit.

The IFTA Audit Committee did a survey of the IFTA jurisdictions and determined that the average number of hours to conduct an IFTA audit is 56 hours. Based on 56 hours per audit, a fully trained journey level Associate Tax Auditor is expected to perform 28 IFTA audits annually. The table below shows that a staffing and auditing gap originally developed in calendar year 2003 and ongoing:

Year	Accounts Subject to Audit from Prior Year	Audits Required (3% of Accounts)	Audits Performed
2002	8,049	241	256
2003	9,721	292	291
2004	10,391	312	254
2005	12,006	360	261
2006	13,361	401	Not Available
2007	15,000 (estimate)*	450	Not Available

* Estimate is based on the historical growth of California's IFTA accounts.

For calendar year 2007, BOE estimates that it will be required to perform an estimated 450 IFTA audits. Based on an average of 28 audits per fully trained journey level auditor, the BOE requires 16.0 fully trained journey level field auditors and a supervising tax auditor to meet the IFTA's audit requirement. There are currently 10.0 field auditors available, leaving a gap of 6.0 field auditors and a supervisor.

IFTA audits must follow very specific requirements as found in the IFTA Audit Manual. An IFTA audit must adhere to all of the requirements in the IFTA Audit Manual to be counted as a completed audit. There are no shortcuts or partial reviews that count as an audit in the IFTA Audit Manual.

B. Background/History (Continued)

➤ **Transmittal Gap**

The IFTA also requires the base jurisdiction to process tax returns and distribute funds, or send a billing, to other jurisdictions by the end of the month following the month in which the return was received. The vehicle for the distribution of funds or billings to other jurisdictions is a transmittal. The IFTA requires a transmittal to be sent to all jurisdictions each month, whether or not truckers from the base jurisdiction traveled in the other jurisdiction.

When a trucker files an IFTA return, the data is keyed and entered on the Regional Processing Center (RPC) mainframe. The returns are filed with the RPC in Albany, New York. The BOE has a contract with Fleet Bank (Bank of America) to enter the information into the RPC mainframe computer system. (The RPC is a cooperative effort of 14 jurisdictions to pool resources and develop a single mainframe program to capture the IFTA returns in lieu of all 14 jurisdictions creating an IFTA program on their own legacy system.) If the return contains errors, the RPC designates the return as being in exception status. When a return is in exception status, the BOE cannot include the return on a transmittal until the return is verified and exception is cleared.

In calendar year 2005, the BOE received an estimated 82,000 IFTA returns. The number of returns filed appears high based on 17,000 accounts. The 82,000 includes 68,000 original returns, 11,875 delinquent returns from prior years, and 2,035 amended returns. Of these, 46,716 were exceptions. The percentage of returns filed that go into exception status is about 55 percent. Staff was only able to clear 30,924 returns during 2005, 17,212 of which were cleared by staff working overtime.

To clear exceptions by analyzing IFTA tax returns, correspond with truckers, prepare billings and refunds to truckers, and timely transmit monies or billings to other jurisdictions as required by the IFTA, the BOE needs 21.0 positions. There are currently 17.0 available positions and this staffing shortfall creates a gap of 4.0 positions to adequately complete the necessary workload.

➤ **Sanctions For Not Complying With The IFTA**

Under ISTEPA, if a contiguous US State did not join the IFTA, the US federal government would discontinue providing matching fuel funds. Under the IFTA, a jurisdiction that does not comply with the IFTA could face expulsion from the IFTA. Any jurisdiction could bring an action against a jurisdiction that is not in compliance with the IFTA. The process is called the Dispute Resolution Process (DRP). It should be noted that the same process is also used to resolve other IFTA related issues between jurisdictions and truckers. To date, only a very limited number of disputes have been raised, as the process is very cumbersome. None of disputes have dealt with a jurisdiction's non-compliance with the IFTA.

The IFTA jurisdictions realized that only having one sanction with such detrimental consequences was very harsh. The DRP was amended to allow for other sanctions prior to expulsion. In 2004, the jurisdictions revised the DPR and included a provision for reconsideration of a sanction. Even with the changes, no jurisdiction has filed an action against another jurisdiction for non-compliance.

B. Background/History (Continued)

➤ **Sanctions For Not Complying With The IFTA (Continued)**

At the Annual Business Meeting in July 2005, the jurisdictions revised the DRP. The revision established a Dispute Resolution Committee. The DRP has become less cumbersome and it is expected that several jurisdictions that are in compliance will bring actions against jurisdictions that are not in compliance. Disputes are now filed with the Dispute Resolution Committee. The Committee may impose the following sanctions or penalties:

1. If the respondent jurisdiction fails to bring its program into compliance by the date determined by the Committee, the respondent jurisdiction shall suffer immediate loss of voting power and all Board and standing committee seats.
2. If the respondent jurisdiction fails to bring its program into compliance after 60 days of its loss of voting power, the respondent jurisdiction's membership dues for the current year will be double. The Committee may grant an extension beyond the 60-day period if it believes the respondent jurisdiction is taking reasonable steps to come into compliance.
3. If the respondent jurisdiction fails to be in compliance after one year of its loss of voting power, the respondent jurisdiction's membership dues for the next fiscal year will be tripled and a resolution for expulsion may be issued pursuant to the IFTA. If the respondent jurisdiction fails to be in compliance after one year of its dues being doubled, a resolution for expulsion will be issued pursuant to the IFTA. If the expulsion resolution fails, the respondent jurisdiction's dues will remain tripled until its program is in compliance. Upon compliance, the respondent jurisdiction's membership dues for the next fiscal year will reduce to the amount assessed to all jurisdictions in good standing.

C. State Level Considerations

This proposal addresses the statutes contained in Section 60601 of the Revenue and Taxation Code as required by Budget Letter Number 06-04 (2007-08 Budget Preparation Guidelines). Section 60601 authorizes the BOE to enforce the provisions of the Diesel Fuel Tax Law. In addition, California, as an IFTA jurisdiction, will move towards compliance with federally mandated provisions of the IFTA.

STRATEGIC PLAN CONFORMITY:

This proposal is consistent with the BOE's Strategic Plan in that it meets the BOE's goals to 1) Interpret and apply tax and fee laws correctly, consistently, and fairly and 2) Educate and assist tax and fee payers to comply voluntarily, while minimizing their compliance burden. More specifically, this proposal conforms to:

- Issue 2 – Modernizing Tax Compliance Practices, Strategy 3 – Identify and analyze area of noncompliance and develop approaches to address targeted problem areas, while maintaining customer-service awareness.

D. Justification/Analysis of All Feasible Alternatives

California, as a member jurisdiction of the IFTA, is required to comply with the IFTA rules and regulations. The jurisdictions participating in the IFTA recently developed sanctions that may be imposed against jurisdictions that are not in compliance with the requirements of the IFTA. The jurisdictions also adopted procedures for bringing an action against jurisdictions that are not in compliance with the IFTA. Additionally, by bringing the non-compliant areas into compliance will generate revenue for California and many other IFTA jurisdictions.

Alternative 1 – Requests authority to establish 11.0 permanent positions by redirecting existing funding of \$1,004,000 in FY 2007-08, and \$962,000 in FY 2008-09 and ongoing.

The net augmentation of this request involves \$-0- in FY 2007-08. In addition, the BOE requests a budget augmentation of \$175,000 in FY 2008-09 and \$42,000 in FY 2009-10 and ongoing for Operating Expenses and Equipment costs. Approval of this proposal will allow the BOE to audit accounts, supervise staff, analyze returns, prepare transmittals and billings to other IFTA jurisdictions, prepare billings and refunds to truckers, and collect amounts due. Approval of this proposal will safeguard the \$3.0 billion in federal matching funds. In addition, this proposal is estimated to add an additional \$2.7 million annually to the \$80 million revenue base for the IFTA program. These monies are used for California’s Transportation Tax fund to repair, maintain and expand California’s infrastructure, including highways, roads and bridges. The estimated ongoing IFTA program benefit-to-cost ratio is 11.2 to 1 (\$82.7 million revenue/\$7.4 million cost).

The positions are needed in the Property and Special Taxes Department’s Motor Carrier Section which administers the IFTA program for the BOE. The registration and account maintenance processes associated with this program will follow existing policy and procedures for registering California truckers into the IFTA program and are not an issue in this proposal. The general duties of each required position and the associated workloads are based on historical data. In developing workload for staff, it is estimated that, on average, each registered motor trucker will operate two qualified motor vehicles. The following table summarizes the total positions required for this BCP:

Classification	FY 2007-08 and Ongoing Positions
Associate Tax Auditor	6.0
Business Taxes Compliance Specialist	1.0
Supervising Tax Auditor I	1.0
Business Taxes Representative	1.0
Tax Technician III	2.0
Total	11.0

The following table summarizes the redirection and augmentation request of this proposal:

	FY 2007-08	FY 2008-09	FY 2009-10 and Ongoing
Redirection:			
Personal Services	\$812,000	\$812,000	\$812,000
OE and E	192,000	150,000	150,000
Redirection Subtotal	\$1,004,000	\$962,000	\$962,000
Augmentation:			
Personal Services	-0-	-0-	-0-
OE and E	-0-	175,000	\$42,000
Augmentation Subtotal	\$-0-	\$175,000	\$42,000
Total	\$1,004,000	\$1,137,000	\$1,004,000

D. Justification/Analysis of All Feasible Alternatives (Continued)**Alternative 1 (Continued)**

The following details the workload for each permanent position:

Associate Tax Auditor (ATA)

The ATA audits the IFTA truckers registered with California. This is the journey level of the audit series and is necessary to handle the types of records, or lack of records, encountered with IFTA accounts. The ATA performs difficult audits requiring in-depth analysis of trucker activities throughout the United States, Canada, and Mexico. A working knowledge of the unique circumstances surrounding truckers that travel through multiple US IFTA jurisdictions, Canada, and Mexico is essential. The ATA assesses deficiencies, identifies and verifies overpayments, prepares correspondence, and works occasional enforcement activities. The ATA must be trained to follow the audit procedures outlined in the IFTA Audit Manual.

Under the IFTA, California is required to audit 3% of qualifying accounts annually. The number of accounts qualifying for audit is expected to reach 15,000 in calendar year 2007, requiring California to audit 450 accounts. To perform 450 audits, 16.0 field audit positions are required. The current resource available is 10.0 positions, leaving a gap of 6.0 positions. The same methodology is used to develop the workload hours for the verification of refund claims and group enforcement projects. The table below summarizes the workload hours required for the ATA positions starting if FY 2007-08 and ongoing:

FY 2007-08 and Ongoing

Workload Activity	Hours per Occurrence	Occurrences per Year	Total Hour
Prepares for audits, develops procedures, performs audits	56.0	170	9,520
Verify refund claims	3.0	27	81
Group enforcement projects	32.0	6	192
Total Hours			9,793
Total ATA Positions Requested (1,600 Hours per Position)			6.0

Supervising Tax Auditor I (STA I)

The STA I is required to provide supervision for the additional staff and assist with the existing staff. The current audit group is comprised of a Supervising Tax Auditor II, two support staff, three Business Taxes Specialists I in headquarters, and 10 field auditors for a total of 16.0 positions. With the addition of six field auditors, an STA I is required. The table on the next page summarizes the workload hours required for the STA I positions starting in FY 2007-08 and ongoing:

D. Justification/Analysis of All Feasible Alternatives (Continued)**Alternative 1 (Continued)****Supervising Tax Auditor I (STA I) (Continued)****FY 2007-08 and Ongoing**

Activity	Hours per Occurrence	Occurrences per Year	Total Hours
Ongoing supervision of audit staff	0.5	1,000	500
Review completed audit packages	1.5	400	600
Discussions with taxpayers regarding audit questions	0.25	200	50
10-day protested audit hearings	4.0	30	120
Track and evaluate audit activity	1.0	150	150
Review and approve time reports and travel expense claims	8.0	12	96
Coordinate and conduct training	40.0	4	160
Conduct personnel evaluations	8.0	12	96
Prepare and discuss monthly activity with administration	4.0	12	48
Conduct staff meetings	4.0	12	48
Total STA I Hours			1,868
Total STA I Positions Requested (1,800 Hours per Position)			1.0

Business Taxes Compliance Specialist (BTCS)

The BTCS acts as the lead and resource specialist to the compliance staff. The BTCS performs the most difficult compliance activities including enforcement activities, verification of credentials, collection of amounts due, resolution of revocations, verification of refunds, assessment of penalties, correspondence with truckers regarding return preparation issues, and identification of property for possible use tax due. The BTCS also serves as a lead person to the Business Taxes Representatives and Tax Technicians. All of these activities are in support of preparation of transmittals and billings to other jurisdictions or sending billings to truckers.

The BTCS workload and hours are developed using the same methodology used for the ATA workload. The table on the next page summarizes the workload hours required for the BTCS positions starting in FY 2007-08 and ongoing:

D. Justification/Analysis of All Feasible Alternatives (Continued)**Alternative 1 (Continued)****Business Taxes Compliance Specialist (BTCS) (Continued)****FY 2007-08 and Ongoing**

Workload Activity	Hours per Occurrence	Occurrences per Year	Total Hours
Verify credentials	.07	2,742	192
Issue penalty determinations	1.25	25	31
Collect AR amounts due	6.0	38	228
Review returns and correspond with truckers	.25	2,340	585
Serve as lead person	1.0	200	200
Resolving delinquencies/revocations	3.0	188	564
Total BTCS Hours			1,800
Total BTCS Positions Requested (1,800 Hours per Position)			1.0

Business Taxes Representative (BTR)

The BTR performs routine compliance activities including enforcement activities, verification of credentials, collection of amounts due, resolution of revocations, verification of refunds, assessment of penalties, correspondence with truckers regarding return preparation issues, and preparation of billings based on reviews. All of these activities are in support of preparation of transmittals and billings to other jurisdictions or sending billings to truckers. The table below summarizes the workload hours required for the BTR position in FY 2007-08 and ongoing:

FY 2007-08 and Ongoing

Workload Activity	Hours per Occurrence	Occurrences per Year	Total Hours
Verify credentials	.07	2,742	192
Issue penalty determinations	1.25	25	31
Collect Accounts Rec. amounts due	6.0	100	600
Review returns and correspond with truckers	.25	4,000	1,000
Total BTR Hours			1,823
Total BTR Positions Requested (1,800 per Position)			1.0

D. Justification/Analysis of All Feasible Alternatives (Continued)**Alternative 1 (Continued)****Tax Technician (TT III)**

The TT III prepares online billings for taxes and penalties due, processes refunds of overpayments, and handles the more difficult registration and return analysis functions. The TT III workload and hours are developed using the same methodology used for the ATA workload. The chart below summarizes the workload hours required for the TT III positions in FY 2007-08 and ongoing:

FY 2007-08 and Ongoing			
Workload Activity	Hours per Occurrence	Occurrences per Year	Total Hours
Online billings, refunds & adjustments	.5	6,000	3,000
Registration & account maintenance	1.2	116	140
Complex return analysis actions	1.0	500	500
Total TT III Hours			3,640
Total TT III Positions Requested (1,800 Hours per Position)			2.0

Pros:

- Safeguards the estimated \$3.0 billion in federal matching funds.
- Uses mostly existing funds to address workload growth.
- Increases revenue estimated at over \$2.7 million for the Transportation Tax Fund to repair, maintain, and expand California's infrastructure.
- Generates revenue for other IFTA jurisdictions.
- Supports the BOE's efforts to comply and meet IFTA requirements.
- Avoids sanctions being imposed on California for non-compliance.
- Provides for more efficient management and enforcement of the Diesel Fuel Tax Law.
- Enables California to meet its responsibilities to other IFTA jurisdictions.

Cons:

- Reduces the amount of personal services funding to be reverted.
- Requires establishment of additional positions.

Alternative 2 - Establish 11.0 positions as outlined in Alternative 1 by asking for a funding augmentation from the Transportation Fund.**Pros:**

- Supports the BOE's efforts to come into compliance with the IFTA.
- Avoids sanctions being imposed on California for non-compliance.
- Provides for more efficient management and enforcement of the Diesel Fuel Tax Law.
- Enables California to meet its responsibilities to other jurisdictions.
- Generates revenue for California and other IFTA jurisdictions.
- Provides revenue for repair and expansion of California's infrastructure.

Con:

- Requires additional positions and funding.

E. Timetable

The BOE proposes that the recommended alternative be effective July 1, 2007. The chart below provides a projected timeline to implement this BCP:

July 2007 - June 2008	July 2008 - June 2009
<ul style="list-style-type: none"> • Get infrastructure in place (PC's, phones, printers, cubicles, etc) for staff. • Hire personnel effective July 1, 2007. • Train audit and compliance staff. • Begin integration of new and existing staff. • Assign audits, investigations and compliance assignments appropriate to staff availability and experience level. 	<ul style="list-style-type: none"> • Continue integration of permanent staff. • Ensure that staff is receiving adequate training and exposure to more difficult and challenging assignments as they gain experience. • Monitor progress.

F. Recommendation

It is recommended that Alternative 1 be approved and that the BOE be authorized to redirect Transportation funding and establish 11.0 positions, beginning July 1, 2007. By providing the resources identified in Alternative 1, the BOE will meet the IFTA requirements and safeguard the estimated \$3.0 billion in matching federal funds. In addition, \$82.7 million revenue will be generated for the IFTA program, allowing for the continuation of repairs, maintenance and expansion of California's infrastructure, including highways, roads and bridges. The estimated ongoing IFTA program benefit-to-cost ratio is 11.2 to 1 (\$82.7 million revenue/\$7.4 million cost).

G. Fiscal Detail

See attached "Fiscal Detail" schedules.

STATE OF CALIFORNIA
 BUDGET CHANGE PROPOSAL--FISCAL DETAIL
 STATE OPERATIONS
 FISCAL YEAR 2007-08
 (Dollars in Thousands)

(DO NOT USE -info of)

Title of Proposed Change: INTERNATIONAL FUEL TAX AGREEMENT (IFTA) WORKLOAD GROWTH

Program/Element/Component: 50 Transportation Fund Tax Program/All Elements

	PERSONNEL YEARS			CY	BY	BY + 1
	CY	BY	BY + 1			
TOTAL SALARIES AND WAGES <i>_a/</i>		11.0	11.0			
Salary Savings		-.6	-.6			
NET TOTAL SALARIES AND WAGES		10.4	10.4			
Staff Benefits <i>_a/</i>						
NET TOTAL SALARIES AND WAGES		10.4	10.4			
Distributed Administration <i>_b/</i>						
TOTAL PERSONAL SERVICES		10.4	10.4			
OPERATING EXPENSE AND EQUIPMENT						
General Expense						\$75
Distributed Administration						11
Printing						
Communications						6
Postage						
Travel--In-State						58
Travel--Out-of -State						
Training						4
Facilities Operations						17
Consulting & Professional Services: Interdepartmental						
Consulting & Professional Services: External						
Stephen P. Teale Data Center						
Data Processing						4
Equipment						
Other Items of Expense: (Specify Below)						

_a/ See page 14 of 15 for itemized staff benefits and classification detail.

_b/ Represents Distributed Administration costs resulting from this BCP. The Distributed Administration costs for existing BOE programs will reflect a corresponding decrease which will be addressed in the Planning Estimate process.

	CY	BY	BY + 1
TOTAL OPERATING EXPENSE AND EQUIPMENT			\$175
TOTAL EXPENDITURES (State Operations)			\$175

Source of Funds

General Fund (0001)

Special Funds:

- Breast Cancer Fund (0004)
- State Emergency Telephone (0022)
- Propane Surcharge Fund (0051)
- Motor Vehicle Fuel Account (0061)
- Occupational Lead Prevention Fund (0070)
- Childhood Lead Poisoning Prev. Fund (0080)
- Cig. and Tobacco Prod. Surtax Fund (0230)
- Oil Spill Prevention and Admin. Fund (0320)
- Integrated Waste Management (0387)
- Underground Storage Tank Fund (0439)
- Energy Resources Programs Account (0465)
- CA. Children and Families First Trust Fund (0623)
- Federal Trust Fund (0890)
- Timber Tax Fund (0965)
- Gas Consumption Surcharge Fund (3015)
- Water Rights Fund (3058)
- Elec. Waste Recovery and Recycling Acct. (3065)
- Cig. and Tobacco Prod. Compliance Fund (3067)

175

Federal Funds

Other Funds

Reimbursements (0995)

Net Total Augmentation (Source of Funds)

			\$175
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DETAIL OF STAFF BENEFITS
AND PERSONAL SERVICES

Staff Benefits Detail:

 CY BY BY + 1
 (Whole Dollars)

- OASDI
- Health Insurance
- Retirement
- Workers' Compensation
- Industrial Disability Leave
- Non-Industrial Disability Leave
- Unemployment Insurance
- Other

TOTAL

Classification	Positions			Salary Range <small>_a/</small>	Amount		
	CY	BY	BY + 1		CY	BY	BY + 1

Property and Special Taxes Department:

Motor Carrier Section: _b/

Associate Tax Auditor	6.0	6.0	57,096
Business Taxes Compliance Specialist	1.0	1.0	57,096
Business Taxes Representative	1.0	1.0	39,612
Supervising Tax Auditor I	1.0	1.0	62,748
Tax Technician III	2.0	2.0	36,480

Blanket Funds:

- Overtime (Various)
- Temporary Help

TOTAL SALARIES AND WAGES _____ _____

_a/ The salary is the mid-step of the salary range for the stated classification.

_b/ All positions are permanent, full-time effective July 1, 2007.

SUPPLEMENTAL INFORMATION
 Dollars in Thousands

	<u>Current Year</u>	<u>Budget Year</u>	<u>Budget Year + One</u>
Proposed Equipment:			
	<hr/>	<hr/>	<hr/>
Total	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Proposed Contracts:			
	<hr/>	<hr/>	<hr/>
Total	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
One-Time Costs:			
General Expense			\$118
Communications			5
Data Processing			7
	<hr/>	<hr/>	<hr/>
Total	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/> \$130
Future Savings:			
N/A			
	<hr/>	<hr/>	<hr/>
Total	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Full-Year Cost Adjustments:			
N/A			
	<hr/>	<hr/>	<hr/>
Total	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>