

STATE OF CALIFORNIA
BUDGET CHANGE PROPOSAL - COVER SHEET
FOR FISCAL YEAR 2012-13
 DF-46 (WORD Version)(REV 04/08)
Please report dollars in thousands.

Department of Finance
 915 L Street
 Sacramento, CA 95814
 IMS Mail Code: A-15

BCP # ABx1 29	PRIORITY NO.	ORG. CODE 0860	DEPARTMENT State Board of Equalization
PROGRAM State Responsibility Area Fire Prevention Fund Program	ELEMENT	COMPONENT	

TITLE OF PROPOSED CHANGE
State Responsibility Area Fire Prevention Fee

SUMMARY OF PROPOSED CHANGES
 Assembly Bill (AB) x1 29 (effective July 1, 2011) authorized a new fee to be assessed on owners of structures located within State Responsibility Areas (SRA) in order to pay for fire prevention activities in the SRA that specifically benefit owners of structures in the SRA. The BOE requests resources to implement and administer ABx1 29 State Responsibility Area Fire Prevention Fee.
 ABx1 24 has been amended to reflect clean-up language prepared at the direction of the Department of Finance and the Department of Forestry and Fire Protection. The current language includes a direct appropriation for BOE. BOE will revise fiscal summaries, if necessary, if ABx1 24 is passed.

REQUIRES LEGISLATION <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	CODE SECTION(S) TO BE AMENDED/ADDED	BUDGET IMPACT—PROVIDE LIST AND MARK IF APPLICABLE <input checked="" type="checkbox"/> ONE-TIME COST <input type="checkbox"/> FUTURE SAVINGS <input checked="" type="checkbox"/> FULL-YEAR COSTS <input type="checkbox"/> REVENUE <input type="checkbox"/> FACILITIES/CAPITAL COSTS
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Budget Officer	DATE	Chief, Financial Mgmt. Division	DATE
Deputy Director, Administration	DATE	Executive Director	DATE

DOES THIS BCP CONTAIN INFORMATION TECHNOLOGY (IT) COMPONENTS? YES OR NO
 IF YES, DEPARTMENT CHIEF INFORMATION OFFICER SIGNATURE _____ DATE _____

FOR IT REQUESTS, SPECIFY THE DATE A SPECIAL PROJECT REPORT (SPR) OR FEASIBILITY STUDY REPORT (FSR) WAS APPROVED BY THE OFFICE OF THE CHIEF INFORMATION OFFICER (OCIO), OR PREVIOUSLY BY THE DEPARTMENT OF FINANCE.

DATE _____ PROJECT # _____ FSR OR SPR

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.

DEPARTMENT OF FINANCE ANALYST USE
(ADDITIONAL REVIEW)

CAPITAL OUTLAY ITCU FSCU OSAE CALSTARS OCIO

DATE SUBMITTED TO THE LEGISLATURE: _____ PPBA: _____

STATE BOARD OF EQUALIZATION

Fiscal Year 2012-13

ABX1 29 STATE RESPONSIBILITY AREA FIRE PREVENTION FEE

A. Nature of Request

Assembly Bill (AB) x1 29 (Chapter XXX, Statutes of 2011, effective July 1, 2011) authorized a new fee to be assessed on structures located within State Responsibility Areas (SRA) in order to pay for fire prevention activities in the SRA that specifically benefit owners of structures in the SRA. Among its provisions, the bill requires the State Board of Equalization (BOE) to assess and collect the State Responsibility Area Fire Prevention Fee (FPF) on behalf of the Department of Forestry and Fire Protection (Department). ABx1 29 further requires the State Board of Forestry and Fire Protection (Board), on or before September 1, 2011 to adopt emergency regulations to establish a fire fee in an amount not to exceed \$150 to be charged on each structure on a parcel that is within the SRA. The Board will adjust the fee annually using prescribed methods. There are approximately 1,000,000 owners of structures located in state responsibility areas from which the fee will be assessed and collected. Ongoing revenue is unknown at this time, but will be determined by the Board and Department based on its fiscal year expenditure needs and sufficiency of money in the State Responsibility Area Fire Prevention Fund (Fund) to finance the costs of the fire prevention activities set forth in ABx1 29. The State Responsibility Fire Prevention Fee is a new program that creates a substantial new workload that cannot be absorbed by the BOE. The BOE requests the following resources to implement and administer ABx1 29 State Responsibility Area Fire Prevention Fee:

FY 2012-13: 69.2 positions and \$8,851,000 (\$8,851,000 General Fund Loan), and,
 FY 2013-14: 69.2 positions and \$7,160,000 (\$7,160,000 Fire Prevention Fund).

The budget year funding request includes \$663,200 for one-time contract programming resources and \$372,400 for on-going data center services necessary to add a new fee program to the BOE's Integrated Revenue Information System (IRIS) and Automated Collection System (ACMS), as well as \$87,748 in specialized equipment for one high speed scanner and telephone equipment, \$569,000 in postage costs and \$92,763 for printing notices and forms, and revisions to law guides.

Assembly Bill (AB) x1 24 has been amended to reflect clean-up language prepared at the direction of the Department of Finance and the Department of Forestry and Fire Protection. The current language includes a direct appropriation for BOE. BOE will revise fiscal summaries, if necessary, if ABx1 24 is passed.

B. Background History

ABX1 29 imposes a new annual fee to be paid by owners of structures located in state responsibility areas. The BOE is mandated by the provisions of ABX1 29 to assess and collect the FPF from the owners of structures located in SRA. The BOE is also mandated to collect the new fee in accordance with the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code) commencing with the 2011-12 fiscal year.

The presence of structures within state responsibility areas pose an increased risk of fire ignition and an increased potential for fire damage within the state's lands and watersheds. The presence of structures within SRA can also impair wild land firefighting techniques and could result in greater damage to state lands caused by wildfires. The Legislature has determined that the cost of fire prevention activities aimed at reducing the effects of structures in state responsibility areas should be borne by the owners of

these structures. The new FPF is established by the Legislature to impose the cost for fire prevention activities in SRA upon those that benefit from these activities, specifically owners of structures located in these areas.

Fire protection of the public trust resources on lands in the SRA remains a vital interest to California. SRA include areas of the state in which the financial responsibility of preventing and suppressing fires has been determined to be primarily the responsibility of the state. These lands are covered in whole or in part by vegetation comprised of a diverse plant community that prevent excessive erosion, retard runoff, reduce sedimentation, and accelerate water percolation to assist in the maintenance of these critical sources of water for environmental, irrigation, domestic, or industrial uses.

C. State Level Considerations

This proposal addresses enacted legislation which requires BOE to administer the assessment and collection of the FPF on behalf of the Board and Department. The BOE, Board and the Department are coordinating the joint implementation of this legislation.

This proposal is consistent with the BOE's strategic plan. Specifically, this proposal conforms to Goal 4 of BOE's strategic plan to enhance operational effectiveness through improved partnerships with other state agencies.

D. Justification and Analysis of all Feasible Alternatives

Alternative 1 – Provide the required resources on a permanent basis to successfully implement the provisions of ABX1 29.

It is estimated that the new FPF will involve approximately 1,000,000 new fee payers and impact the workload of numerous Departments within the BOE. In order to effectively administer the FPF program critical resources are requested for the following areas:

Property and Special Taxes Department's Special Taxes and Fees Division (STFD) will be responsible for registering approximately 1,000,000 fee payers from a list of fee payers provided annually by the Department and the annual issuance of notices of determination based on this list. STFD staff is also responsible for the collection of any past due fees, and processing refunds and notices for redetermination resulting from claims for refund and petitions involving the fee assessment. The BOE is not responsible for deciding the validity of any claim for refund or petition for redetermination, STFD is responsible for processing refunds and notices for redetermination resulting from claims for refund and petitions involving the fee assessment.

Other workload impacts due to the anticipated 1,000,000 new fee payers will affect a number of other Departments at the BOE in the following ways:

- Phone calls will increase affecting BOE's External Affairs call center and Taxpayer Rights Advocate's Office;
- Mail volume will increase affecting the Mail Services Department;
- Tax Revenue Branch will be affected by the increase in cashiering and key data entry resulting from the notices and remittances being returned;
- Accounting staff will be required to maintain the new Fund; and
- Staff in the Business Services Branch, Human Resources Branch and Technology Services Division will be impacted due to the personnel increases.

The requested resources will allow the BOE to continue to provide high quality service to tax and fee payers while protecting the General Fund and Special Fund revenues. The following is a summary of the requested positions and blanket funds necessary to fully implement and administer the FPF program.

The following table summarizes the personnel years required for implementation and administration.

Classification	BY 2012-13	BY+1 2013-14
Property and Special Taxes Department		
Office Assistant (General)	2.0	2.0
Tax Technician II	5.0	5.0
Tax Technician III	9.0	9.0
Business Taxes Representative	18.0	18.0
Business Taxes Compliance Specialist	4.0	4.0
Business Taxes Administrator I	3.0	3.0
Tax Technician III	5.0	5.0
Associate Tax Auditor	1.5	1.5
Business Taxes Specialist I	2.0	2.0
Supervising Tax Auditor II	1.0	1.0
Business Taxes Specialist II	1.0	1.0
External Affairs Department		
Tax Technician II	2.0	2.0
Tax Technician III	.5	.5
Administration Department		
Accountant Trainee	.5	.5
Office Assistant (General)	.5	.5
Mailing Machine Operator II	.5	.5
Key Data Operator	4.0	4.0
Information Systems Technician	3.0	3.0
Office Assistant (General)	2.0	2.0
Taxpayer Rights Advocates Office		
Tax Technician I	1.0	1.0
Administration Department – Business Svcs.		
Associate Business Management Analyst	.5	.5
Staff Information Systems Analyst	.5	.5
Personnel Specialist	.5	.5
Technology Services Department		
Staff Information Systems Analyst	.5	.5
Temporary Help	1.7	1.7
Total Personnel Years	69.2	69.2

Specific workload justification is attached in Exhibit I.

E. Outcomes and Accountability

Absent funding or additional legislation, this proposal will be implemented July 1, 2012. The outcomes identified in this BCP and associated revenue will be measured by the number of billings issued and collections of these billings. Statistical reports that provide detailed and summarized billing and collection information are currently in place and are reported on a monthly, quarterly and yearly basis to management and other stakeholders. The program's supervisory team will maintain control and provide oversight of the program operations.

G. Timetable

The estimated implementation timetable assumes a FY 2012-13 start date as follows:

July 1, 2012 - December 31, 2012

- Advertise and hire implementation staff
- Begin and complete IRIS programming, review and test new system functionality
- Work with the Board and Department on developing and adopting emergency regulations
- Work with the Board and Department on format and details necessary for the registration list
- Develop refund and petition procedures
- Develop billing documents, refund acknowledgment letters and petition acknowledgment letters
- Hire and train new personnel

January 1, 2013 - June 30, 2013

- Obtain fee payer registration/billing list and upload into IRIS system
- Mail determinations
- Resolve returned mail
- Issue demand notices
- Receive and key incoming notices with remittances
- Acknowledge refunds and petitions
- Collect on delinquent accounts
- Work with the Board and Department on emerging issues
- Prepare necessary reports
- Transfer revenues to the new Fund

H. Recommendation

Alternative 1 is recommended to provide the necessary staff and resources on a permanent basis to efficiently and effectively administer the Fire Prevention Fee Program in the collection of the fee for disbursement to the State Responsibility Area Fire Prevention Fund in support of fire prevention in the state responsibility areas.

I. Fiscal Detail

See attached "Fiscal Detail" schedules, Exhibit I.

Detailed Workload Analysis for ABx1 29

The BOE is responsible for administering this new fire prevention fee program and collecting the fee from over 1 million new fee-payers. These costs would include developing computer programs, developing forms and publications, creating fee-payer registration based on billing information provided by the Department, mailing and processing billings, carrying out compliance efforts, developing regulations, training staff, and answering fee-related inquiries.

Property and Special Taxes Department - Special Taxes and Fees Division

Special Taxes and Fees Division (STFD) is charged with the ongoing administration of over 20 special tax and fee programs. Implementation and ongoing administration of the Fire Prevention Fee (FPF) will cause workload that is not absorbable by the STFD's branches.

Current Year and Budget Year Workload

The following narrative and workload activity details the current year and budget year STFD staffing requirements for the FPF program. Except for identified implementation needs, budget year workload will continue as on-going.

Implementation Workloads

Implementation of the FPF involves working with the Board and the Department on emergency regulations, formatting of the fee payer data for registration and billing purposes, the developing of procedures for communicating registration and billing corrections, coordinating the petition for redetermination decisions and adjustment process, processing approved or denied claims for refund and other activities necessary to effect a effective joint administrative process. Implementation includes necessary enhancements to our IRIS system to accommodate a new fee program involving up to 1 million new fee payers. Staff from STFD must work closely with the BOE's Technology Services Department (TSD) staff on designing and testing the functionality of the enhancements. Any new tax or fee program involves updates to existing procedure manuals, creating special notices and outreach to the fee payers, modifications to billing and refund documents, hiring and training staff, securing facilities and deployment of equipment. Implementation staff are generally at the supervisory or specialist levels for decision making purposes and will be needed starting July 1, 2012 through December 31, 2012, at which time they will be absorbed into the requested PY's as detailed in the workload analysis.

Implementation Team

Compliance Branch

- 2 Business Taxes Administrator
- Registration and Account Maintenance Team Supervisors
- 2 Business Taxes Specialist Compliance Specialists
- Registration and Account Maintenance Team Leads
- 2 Business Taxes Representatives
- Registration and Account Maintenance Team Members

Appeals and Data Analysis Branch

- 1 Business Taxes Specialist I
- Petitions and Refunds Coordinator – work with the Department to coordinate the exchange of petition and refund activity

Program Policy and Administration Branch

- 1 Business Taxes Specialist II
- Liaison with the Board and Department

Ongoing Workloads

The BOE's ongoing work for this program will include receiving the annual billing lists from the Department, registering fee payers for the initial billing year, and then maintaining registration and registering new fee payers in subsequent years, providing information to fee payers, collecting past due fee billings, receiving and tracking fee payer petitions for redetermination and claims for refund, and processing petitions and claims after they have been reviewed and resolved by the Department. BOE will also provide reports to BOE, Department and Board management as needed. Because of the volume of billings to be issued annually for this program, it is not feasible to attempt to issue all of the billings at once. Therefore, it is anticipated that the billings, and the associated workloads will be spread over the entire year. Staffing resources have been identified accordingly.

Compliance Branch

The Compliance Branch will be responsible for maintaining fee payer registration, and records, handling inquiries from and providing information to fee payers, taking collection actions on delinquent fees and processing requests for penalty relief.

Office Assistant (OA) – 2 Permanent Positions:

The establishment of 2.0 permanent Office Assistant (OA) positions, effective July 1, 2012, is requested. The OA will create and maintain taxpayer files, scan and index and file the paper billings and delinquency notices, handle routine phone calls, route phone calls, and file and route correspondence. Workload activity represents an estimated 80,000 fee payers inquiries/correspondences that will need to be manually routed by our reception staff. The OA will also be scanning 100,000 additional documents per year. This is equal to 4,667 hours or 2 PY at the OA level. The 80,000 fee payers represent approximately 8% of the total number of accounts currently maintained by the Department.

Classification	Budget Year		Total Hours	PYs Rqd. (2)	Staffing Request
	# Items Annually	Minutes per Item			
Routing calls & correspondence	80,000	1	1,333		
Scanning documents	100,000	2	3,333		
Resources Required			4,667	2.5	2.0 PY

Tax Technician II (TT II) – 5 Permanent Positions:

The establishment of 5.0 permanent Tax Technician II (TT II) positions, effective July 1, 2012, is requested. The TT II will be responsible for manually registering new fee payers when the ownership of the structure has changed; initial skip tracing for better addresses when mail is returned as undeliverable; updating and correcting addresses, phone numbers and name of owner; closing accounts, other account maintenance; performing TIN collapses; and notifying the Department of all changes made to fee payer accounts. It is estimated that 5% of the overall accounts will require a closeout and a new registration, as such, 50,000 accounts at 6 minutes each will result in roughly 5,000 hours. Additionally, it is estimated 5% of the accounts will require some type of account maintenance which will result in 5,000 hours.

Classification	Budget Year		Total Hours	PYs Rqd. (2)	Staffing Request
	# Items Annually	Minutes per Item			
New Registration	50,000	6	5,000		
Account Maintenance	50,000	6	5,000		
Resources Required			10,000	5.6	5.0 PY

Tax Technician III (TT III) – 9 Permanent Positions:

The establishment of 9.0 permanent Tax Technician III (TT III) positions, effective July 1, 2012, is requested. TT III positions will be responsible for maintaining unapplied payments, reviewing, approving and processing requests for relief of penalty and/or interest, and refunding duplicate payments and overpayments of penalty and interest. In addition, they will maintain the billing file received from the Department and the resulting differences in IRIS.

In addition, the TT III will also be responsible for performing basic skip tracing on those fee payers who are non responsive to the approximate 1M assessments that will be issued by the BOE on behalf of Department. The amount of preliminary research needed to be performed on these accounts is dependent on the thoroughness of the data received from the Department.

It is estimated that approximately 7% or 70,000 accounts will become delinquent with each account requiring 10 minutes to skip trace and input notes into ACMS. This equates to 11,667 hours. It is estimated that approximately 3% or 30,000 fee payers will have billing records or payments that require maintenance or refund, requiring 10 minutes for each account equaling 5,000 hours.

Classification	Budget Year				
	# Items Annually	Minutes per Item	Total Hours	PYs Rqd. (2)	Staffing Request
Revenue Maintenance	30,000	10	5,000		
Skip Tracing	70,000	10	11,667		
Resources Required			16,667	9.3	9.0 PY

Business Tax Representative (BTR) – 18 Permanent Positions:

The establishment of 18.0 permanent Business Taxes Representative (BTR) positions, effective July 1, 2012, is requested. BTRs are required to provide support for advisory services involving telephone contact, correspondence and billings. BTR's perform the majority of the collection activities and investigate the more complex registration and billing issues. Because this is a new program, advisory services are expected to be enhanced, especially in the first two years; however, in the latter years as the fire fee rates are adjusted we expect fewer but still a substantial need for taxpayer advisory services.

Classification	Budget Year				
	# Items Annually	Min per Item	Total Hrs	PYs Rqd. (2)	Staff Req.
Review Relief of Penalty	20,000	10	3,333		
Collections	64,000	10	10,667		
Taxpayer Services	100,000	5.5	9,167		
Registration & Acct. Maintenance (compliance issues)	100,000	5.5	9,167		
Resources Required			32,333	18.0	18.0 PY

It is anticipated that staff in the Return Processing section will receive an abundance of phone calls generated by the estimated 100,000 billings projected to be mailed out monthly. Staff will be required to review the fee payers' account information, answer questions and disseminate information about the new fee (requirement).

It is conservatively estimated that 10% of fee payers will ultimately contact staff for assistance which will result in a total of 100,000 calls, at approximately 5.5 minutes per call this translates to 9,167 hours or 5 PYs (at the BTR level).

Staff in the Collections Section will be responsible for performing basic skip tracing on those fee payers who are not forthcoming with their timely payment to the approximate 1 million assessments that will be issued by the BOE on behalf of the Department. The amount of preliminary research needed to be performed on these accounts is dependent on the thoroughness of the data received from the Department. Once valid phone numbers are obtained, the BTR will contact delinquent fee payers to demand payment. Collection tools that maybe used include bank levies, earnings withholding orders, refund offsets, and real property liens.

Business Taxes Compliance Specialist (BTCS)– 4 Permanent Positions:

The establishment of 4.0 permanent Business Taxes Compliance Specialist positions, effective July 1, 2012, is requested. The BTCS position performs the review and approvals of the compliance and collection functions and handles the largest and most difficult collection cases. It is anticipated that these positions will perform a great deal of outreach with the taxpayer, public and also train and guide compliance and collection staff.

Classification	Budget Year				
	# Items Annually	Minutes per Item	Total Hours	PYs Rqd. (2)	Staffing Request
Reviews and Approvals	45,000	5	3,750		
Collections	20,000	10	3,333		
Staff Training & Guidance			200		
Resources Required			7,283	4.0	4.0 PY

Business Taxes Administrator I (BTA I) – 3 Permanent Positions:

The establishment of 3.0 permanent Business Taxes Administrator I (BTA I) positions, effective July 1, 2012, is requested. The BTA I is responsible for the supervisory duties associated with the FPF account maintenance, registration and collection staff. The Compliance Branch is unable to absorb the additional staff under this BCP and maintain an effective supervisor to employee ratio. With the additional compliance staff, 3 additional supervisors at the BTA level are necessary to keep staffing ratios equal.

Classification	Budget Year				
	# Items Annually	Hours per Item	Total Hours	PYs Rqd. (2)	Staffing Request
Supervisory			5,400		
Resources Required			5,400	3.0	3.0 PY

Appeals and Data Analysis Branch (ADAB)

ADAB will handle the new petition and refund workload associated with the new FPF. ADAB staff will be responsible for acknowledging and creating appeals cases for petitions and refunds, making needed revenue adjustments, reviewing petitions and claims, and issuing closing notices and refunds. In conjunction with processing of refunds, staff will be responsible for maintenance, queuing and printing of refunds schedules, working returned warrant inquiries and researching issues relating to lost warrants or warrants not received by the fee payers. ADAB staff responsibilities will also include preparation of any needed reports pertaining to petitions and refunds filed. It is estimated that approximately 1,000,000 assessments will be issued by the BOE for the FPF annually. ADAB staff estimates that it will receive petitions for redetermination on 3% of these assessments and claims for refund on 2% (30,000 petitions and 20,000 claims for refund).

Tax Technician III (TT III) – 5 Permanent Positions:

The establishment of 5.0 permanent TT III positions, effective July 1, 2012, is requested to acknowledge petitions and refunds and process refunds for workload associated with the FPF. The TT III positions are responsible for initiating each petition case which includes creation of the appeals case in IRIS, set up of the case file, and preparation of a draft acknowledgement letter to the fee payer. In addition, the TT III positions will be responsible for processing refunds. The TT III positions will also perform associated refund tasks including refund scheduling, processing returned warrants, and warrant research related to inquiries from fee payers who did not receive their issued refunds.

Classification	Budget Year				
	# Items Annually	Minutes per Item	Total Hours	PYs Rqd. (2)	Staffing Request
Petition Acknowledgement	30,000	8	4,000		
Refund Acknowledgement	20,000	8	2,667		
Refund Scheduling and Returned Warrant Processing	20,000	3	1,000		
Processing Refunds	20,000	5	1,667		
Resources Required			9,334	5.18	5.0 PY

Associate Tax Auditor (ATA) – 1.5 Permanent Positions:

The establishment of 1.5 permanent ATA positions, effective July 1, 2012, is requested to process petitions for workload associated with the FPF. The ATA positions will be responsible for processing and closing each petition case, which includes any revenue adjustments required, creation of the closing notice, and closing of the appeals case in IRIS.

Classification	Budget Year				
	# Items Annually	Minutes per Item	Total Hours	PYs Rqd. (2)	Staffing Request
Processing Petitions	30,000	5	2,500		
Resources Required			2,500	1.56	1.5 PY

Business Taxes Specialist (BTS I) – 2 Permanent Positions:

The establishment of 2.0 permanent BTS I positions, effective July 1, 2012, is requested to oversee the petition and refund process for workload associated with the FPF. The BTS I positions will be responsible for reviewing petitions and refunds received and related acknowledgment letters. In addition the BTS I positions will be responsible for petition and refund oversight and reports.

Classification	Budget Year				
	# Items Annually	Mins per Item	Total Hrs	PYs Rqd. (2)	Staffing Request
Review Petition and Acknowledgement	30,000	2	1,000		
Review Claim and Acknowledgement	20,000	2	667		
Petition and Refund Oversight and Reports	50,000	2	1,667		
Resources Required			3,334	2.08	2.0 PY

Supervising Tax Auditor II (STA II) – 1 Permanent Position:

The establishment of 1.0 permanent Supervising Tax Auditor II (STA II) position, effective July 1, 2012, is requested due to the addition of 8.5 PY's under this BCP. The staffing ratio for the four existing STA II

positions in ADAB is approximately 15.1 PY's for each STA II. ADAB is unable to absorb the additional staff under this BCP and maintain an effective supervisor to employee ratio. With the addition of this STA II position, staffing ratios will be equalized to approximately 13.8 PY's for each STA II, to more effectively lead, direct and oversee the work of ADAB staff.

Classification	Budget Year		Total Hours	PYs Rqd. (2)	Staffing Request
	# Items Ann.	Hours per Item			
Supervisory Resources Required			1,600 1,600	1.00	1.0 PY

Program Policy & Administration Branch

Business Taxes Specialist II (BTS II) – 1 Permanent Position:

The establishment of 1 Business Taxes Specialist II (BTS II) effective July 1, 2012, is requested to act as a liaison with the Board and Department in the efficient and effective collection of the new fire fee. The BTS II will work in the Program Policy and Administration Branch of the Special Taxes and Fees Division. The BTS II will act as a technical advisor to staff working the fire fee program. The BTS II will work with the Department on proper identification of fee payers, coordinate with Department on all data exchange information, prepare special notices, prepare fee payer correspondence, draft regulations, and prepare written policies and procedures for the fire fee collection program.

Classification	Budget Year		Total Hours	PYs Rqd. (2)	Staffing Request
	# Items Annually	Hours per Item			
Liaison to other State Agencies	12	20	240		
Research and Technical Advice	40	5	200		
Billing Lists	1	80	80		
Prepare Special Notices	4	30	120		
Correspondence	100	4	400		
Prepare Written Policies and Procedures	4	80	320		
Draft Regulations	2	80	160		
External Agency Reports	4	20	80		
Resources Required			1,600	1.00	1.0 PY

(1) PY's computed using 800 hours for compliance and clerical positions and 800 hours for auditor and all business taxes specialist positions. (2) PY's computed using 1800 hours for compliance and clerical positions and 1600 hours for auditor and all business taxes specialist positions.

External Affairs Department – Taxpayer Information Section

Tax Technician II (TT II) – 2 Permanent Positions, F/T

As a result of this legislation the BOE Taxpayer Information Section estimates an additional 30,720 calls annually. Each Tax Technician II takes 12,000 calls a year that provide answers to general questions, give guidance on BOE resources; and refer callers to the appropriate sections. The remaining calls will be assisted by a ½ time Tax Technician III. A Tax Technician III responds to the more difficult inquiries, and acts in a lead capacity by providing guidance to the lower level technicians.

The tables below provide the estimated workloads for these positions:

Workload Detail				
Classification	Activity	Time Measure		On-going Activities
		M = Minutes H = Hours	Occurrences Per Year	Total Hours
Tax Technician II	Answering questions from customers who received notices with the Department's 800 number (.83% of 1 million assessments and 30,000 petition letters)	9 M	8,550	1,295
	Answering calls from customers who received information on Collections, Refunds and Denials with the BOE 800 number (8% of 89,000 notices)	9 M	7,120	1,078
	Assisting calls from customers receiving a demand letter or amount due with the BOE 800 number (12% of 76,800)	9 M	9,220	1,396
	Total Tax Technician II Hours			3,769
	Total TT II Positions Needed (1,800 Hours/Position)			2.0

Tax Technician III – 1 Permanent Position, Half-Time

Workload Detail				
Classification	Activity	Time Measure		On-going Activities
		M = Minutes H = Hours	Occurrences Per Year	Total Hours
Tax Technician III	Answering questions from customers who received notices with the Department's 800 number (.17% of 1 million assessments and 30,000 petition letters)	9 M	1,750	270
	Answering calls from customers who received information on Collections, Refunds and Denials with the BOE 800 number (2% of 89,000 notice recipients)	9 M	1,780	270
	Assisting calls from customers receiving a demand letter or amount due with the BOE 800 number (3% of 76,800)	9 M	2,300	350
	Total Tax Technician III Hours			890
	Total TT III Positions Needed (1,800 Hours/Position)			0.5

Administration Department - Accounting Branch

The establishment of .5 Accountant Trainee effective July 1, 2012 to handle the increased accounting workload resulting from the new PFR.

Classification	Budget Year				
	# Items Annually	Hrs per Item	Total Hours	PYs Rqd. (1)	Staffing Request
Accountant Trainee					
Reconcile accounts with State Controller's Office (SCO)	12	5	60		
Compile year end info and financial statements	1	60	60		
Post entries to GL and accounting registers	12	20	240		
Process SCO journal entries	12	5	60		
Process Revenue documents and fund adjustments	12	5	60		
Process refunds	12	5	60		
Reconcile bank deposits	12	5	60		
Prepare transmittals	12	20	240		
Report revenue to control agencies and BOE units	5	5	60		
Resources Required			900	.5	0.5 PY

**Footnote: Position based on 1,800 hour PY.

Mail Services Branch

Office Assistant - .5 Permanent Position:

The Office Assistant (OA) position is responsible for receipt and opening of incoming mail.

Mailing Machines Operator II – .5 Permanent Position:

The Mailing Machines Operator II position is responsible for the processing of outgoing mail.

Mail Services Workload Detail for ABX1 29					
Classification	Activity	Time Measure		On-going Activities	
		H = Hours	Time Per Occurrence	Occurrences Per Year	Total Hours
Mailing Machines Operator II	Insert mail	H	.0003	1,295,000	411
Mailing Machines Operator II	Sorting mail	H	.0004	1,295,000	489
Office Assistant (G)	Receive and open mail	H	.0007	1,295,000	891
	Total MSU Hours			3,885,000	1,791

Tax Revenue Branch

Key Data Operator – 4 Permanent Positions:

Key Data Operators are responsible for accurately prepping and keying information from schedules and revenue documents from all tax and fee programs that are administered by the BOB. In order to ensure accuracy, keying is also verified. The keyed information will be electronically transmitted to the IRIS data base.

Tax Revenue Branch Workload Detail					
Classification	Activity	Time Measure		On-going Activities	
		H = Hours	Time Per Occurrence	Occurrences (Batches) Per Year	Total Hours
Key Data Operator (KDO)	Input	H	0.26	11250	2965
	Verify	H	0.26	11250	2965
	Total Hours				5930
	Total Number of Positions Needed				4.0

Footnotes: The Key Data Operator classification uses 1950 hours for a PY. Per contract, KDOs are required to be given a 5 minute break every hour because of the high volume of keying.

Information Systems Technician (IST) – 3 Permanent Positions:

Information System Technicians (IST) are responsible for sorting, processing, transferring, filing batch header sheets, and delivering source documents to the Production Services and Support Unit. The ISTs compile and update log-in sheets. They identify batch loading and keying errors and make necessary corrections for batches to load to the system or coordinate with the appropriate business areas for correction. They monitor critical deadlines. In addition, this position is responsible for reviewing and monitoring the Access Inventory Database. The database tracks the daily workload processed and the transferred, completed batches.

Tax Revenue Branch Workload Detail					
Classification	Activity	Time Measure		On-going Activities	
		H = Hours	Time Per Occurrence	Occurrences (Batches) Per Year	Total Hours
Information Systems Technician (IST)	Sort, Transfer, & Deliver Batches	H	0.5	11250	5625
	Total Hours				5625
	Total Number of Positions Needed				3.0

Office Assistant (OA) – 2 Permanent Positions

The Office Assistants in the Cashiers Section are required to open, sort, prioritize, and batch documents and remittances that are received in the mail. The Office Assistants add the batches of documents to establish the total dollar amount for balancing purposes. They ensure that the total dollar amount for a batch of checks matches the total dollar amount for the corresponding batch of documents. They cautiously ensure that the

check has all required information and that the numeric amount matches the legal, written amount. They also use NCR encoding equipment to process checks for the daily bank deposit.

Tax Revenue Branch Workload Detail					
Classification	Activity	Time Measure		On-going Activities	
		H = Hours	Time Per Occurrence	Occurrences (Batches) Per Year	Total Hours
Office Assistant	Open, Prep & Batch	H	0.3	11250	3346
	Total Hours				3346
	Total Number of Positions Needed				2.0

Technology Services Department

Implementation of a new tax or fee program requires substantial enhancements to the BOE's IRIS and ACMS systems in order to efficiently administer and integrate the new fee program into the BOE's infrastructure. The following one-time and on-going costs detail the resource needs.

	Budget Year Costs	Budget Year +1 Costs
One Time Costs		
Data Center Costs	\$28,900	
Contract Services	\$663,200	
Total One-Time	692,100	

	Budget Year Costs	Budget Year +1 Costs
On-Going Costs (Annual)		
Data Center Costs	\$155,168	372,400
Total On-Going	\$155,168	\$372,400

Taxpayer Rights Advocates Office (TRA)

The passage of new laws administered by BOE impacts the TRA Office. A permanent Tax Technician I starting July 1., 2012 is requested to handle the estimated number of inquiries that are expected regarding the new fee program.

Classification	Budget Year # Items Annually	Minutes per Item	Total Hours	PYs Rqd. (2)	Staffing Request
Inquiries	7000	15	1,750	.972	1 PY
Resources Required			1,750		

PY's computed using 1800 hours per position

Support Positions

The following positions are support positions, which are support staff required for various areas within the Board based solely on the number of new positions added.

Administration Department - Business Services Section

Business Services Section support staff is necessary for planning, coordinating, and managing office space and workstations for new positions.

Associate Business Management Analyst (ABMA) – 0.5 Permanent Position:

Workload Detail					
Classification: ABMA	Time Measure				
	H = Hours M = Minutes	Time Per Occurrence	# of Employees	Occurrences Per Year	Total Hours
Respond to service requests, generate work orders, and coordinate activities with DGS, property managers, lessors and board staff on routine facility issues. <u>a/</u>	H	1	66.5	264	175.56
Perform routine facilities modifications such as modular furniture reconfigurations and reasonable accommodation requests. <u>b/</u>	H	8	66.5	0.2	106.4
Perform space needs assessments, analyze special program requirements, and perform design services. <u>b/</u>	H	16	66.5	0.2	212.8
Update CADD data base, floor plans, project files. <u>b/</u>	H	4	66.5	0.2	53.2
In-State travel to annexes and field offices to work with contractors performing modular furniture and routine facility work. <u>b2/</u>	H	22	66.5	0.1	146.3
Requisition office furnishings and modular work station components for employee turnover and reasonable accommodations. <u>c/</u>	H	16	66.5	0.05	53.2
Provide project management and planning for remodeling and tenant improvement projects for new staff. <u>d/</u>	H	8		130	260
Attend weekly construction meetings for tenant improvement (TI) projects. <u>e/</u>	H	2		26	52
In-State travel for construction related meetings and inspections. <u>e2/</u>	H	8		13	104
Total Hours per year					1163.46
Position based on 1,800 hours					.6

- a/ estimated 1 hr per day per 100 employees and 264 calendar days (22 X 12)
- b/ averaged 800 requests per year per 4000 employees = 0.2 requests per PY per year
- b2/ 50% of staff located in field offices = .2 requests per year per person divided by 2
- c/ estimated employee turnover and RA = 5%
- d/ estimated daily time spent on average project of medium complexity for 26 weeks (130 days).
- e/ averaged TI project is 26 weeks from start of construction to completion
- e2/ 50% of staff and projects located in field offices outside Sacramento

Staff Information Systems Analyst (SISA) – 0.5 Permanent Position

Workload Detail					
Classification: SISA (Specialist)	Time Measure				
	H= Hours M = Minutes	Time Per Occurrence	# of Employees	Occurrences Per Year	Total Hours
Provide user support and troubleshooting for telecommunication devices. <u>a/</u>	H	0.01	66.5	264	175.56
Perform routine services and support for moves and feature changes for telecom landline systems, cabling changes, wiring punch downs. <u>b/</u>	H	4	66.5	0.2	53.2
Update in house data bases. Update AT&T and Verizon data bases. <u>b/</u>	H	2	66.5	0.2	26.6
In-State travel to annexes and field offices to provide end user support, wiring changes and maintain systems <u>b2/</u>	H	22	66.5	0.1	146.3
Requisition telecommunications components and services for employee turnover. <u>c/</u>	H	16	66.5	0.05	53.2
Perform telecommunications needs assessments, analyze and adjust rate plans. Analyze telecommunications invoices and resolve disputes. <u>d/</u>	H	0.013333	66.5	24	21.28
Install software upgrades and provide user training on BlackBerry wireless devices <u>e/</u>	H	3	66.5	1	199.5
Requisition, upgrade and deploy new wireless devices. Provide user training on new model features <u>f/</u>	H	4	66.5	0.5	133
Provide project management and planning for tenant improvement projects and the installation of telecommunications systems to support new staff. <u>g/</u>				130	260
Total Hours per year					1068.64
Position based on 1,800 hours					0.6

- a/ estimated 1 hr per day per 100 employees and 264 calendar days (22 X 12)
- b/ averaged 800 requests per year per 4000 employees = multiplier 0.2 per PY requests per year
- b2/ averaged .2 requests per year per PY x 50% of staff located in field offices = .1
- c/ averaged employee turnover, and RA = 5%
- d/ estimated 1 hour per 75 employees to review wireless and landline invoices on a monthly basis. 2 invoices per month x 12 months
- e/ annual software upgrades and user training. 1 devices per person x 3 hour per user per year
- f/ bi-annual equipment upgrade/refresh per wireless contract. 1 device per person x .5 = .5
- g/ estimated daily time spent on average project of medium complexity for 26 weeks (130 days).

**Personnel Specialist – 0.5 Permanent Position:
Human Resources**

Human Resources support staff is necessary for new employee record-keeping and confidentiality, as well as compensation and employee benefit management, and training and development.

Workload Detail - Human Resources Division					
Classification	Activity	Time Measures			
		Hours Per Occurrence	# of Employee	Per Year	Total Hours Per Year
Personnel Specialist	Attendance/Pay and Benefits ¹	0.26	66.5	12	207.5
	Administrative Detail (Reports, Training, Correspondence) ²	0.21	66.5	12	167.6
	Employee Contact Time ³	0.60	66.5	12	478.8
	Appointment Maintenance ⁴	0.43	66.5	12	343.1
Total PS Hours					1197.0
Total PS Positions Requested (1800 Hours per Positions)					0.7

¹Activities included in this category are: all payroll activities (regular and miscellaneous), benefit administration, maintaining leave balance information, timekeeping, and disability claims administration.

²Activities included in this category are: correspondence to employees, control agencies, and other jurisdictions; subpoena documentation, retroactivity reports, accounts receivable, MIRS reports, EDD claims, etc.

³Activities included in this category are: emails; telephone calls, and personal contact.

⁴Activities included in this category are: refills, transfers, promotions following the initial appointment.

Personnel Specialist – 0.5 Permanent Position:

Executive Department

Technology Services Department

Technology Services Division support staff provide the computer systems and technology infrastructure that support the BOE's tax and administrative programs.

Staff Information Systems Analyst (SISA) – 0.5 Permanent Position:

Classification	Activity Description (Collectors)	Time Measure			
		Hours Per Occurrence	# of Occurrences per Year	# of New Positions	Total Hours
Staff ISA	Troubleshoot Problems, User Support and Training	4	3.33	45.0	600.0
	Security Maintenance (Encryption, Virtual Private Network, etc)	3	0.33	45.0	45.0
	Automated Collections Management System Maintenance	20	0.16	45.0	144.0
	Build Test and Maintain Computer Files	4	0.80	45.0	144.0
	Coordinate with Maintenance Efforts with System Coordinators	10	0.13	45.0	60.0
	Special Projects and Documentation	25	0.05	45.0	60.0
	Travel to Remote Locations	10	0.05	45.0	24.0
Total Staff ISA Hours					1,077.0
Total Staff ISA Positions					0.6

Grand Total Hours	1,473.0
Grand Total Positions	0.8

BCP No. ABx1 29
DATE: 09/09/2011

**STATE OF CALIFORNIA
BUDGET CHANGE PROPOSAL--FISCAL DETAIL
STATE OPERATIONS
FISCAL YEAR 2012-13
(Dollars in Thousands)**

ABx1 29 State Responsibility Area Fire Prevention Fee

State Responsibility Area Fire Prevention Fund Program

	PERSONNEL YEARS					
	CY	BY	BY + 1	CY	BY	BY + 1
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
TOTAL SALARIES AND WAGES _{a/}		<u>69.2</u>	<u>69.2</u>		<u>\$3,164</u>	<u>\$3,153</u>
Salary Savings		<u>-3.4</u>	<u>-3.4</u>		<u>-153</u>	<u>-153</u>
NET TOTAL SALARIES AND WAGES		<u>65.8</u>	<u>65.8</u>		<u>3,011</u>	<u>3,000</u>
Staff Benefits _{a/}					<u>1,144</u>	<u>1,143</u>
Distributed Administration _{b/}					<u>644</u>	<u>521</u>
TOTAL PERSONAL SERVICES					<u>\$4,799</u>	<u>\$4,664</u>
OPERATING EXPENSE AND EQUIPMENT						
General Expense					\$915	\$191
Distributed Administration					161	130
Printing					93	91
Communications					150	58
Postage					569	569
Travel--In-State						
Travel--Out-of -State						
Training					58	58
Facilities Operations					830	830
Consulting & Professional Services: Interdepartmental						
Consulting & Professional Services: External					663	
Office of Technology Services					552	552
Data Processing					61	17
Equipment						
Other Items of Expense: (Specify Below)						

_{a/} See page X of XX 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.

EXHIBIT II

BCP No. ABx1 29

	CY	BY	BY + 1
	2011-12	2012-13	2013-14
TOTAL OPERATING EXPENSE AND EQUIPMENT		\$4,052	\$2,496
TOTAL EXPENDITURES (State Operations)		\$8,851	\$7,160

Source of Funds

General Fund	(0001)	\$8,851	
Special Funds:			
Breast Cancer Fund	(0004)		
State Emergency Telephone	(0022)		
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)		
Fire Prevention Fund			\$7,160
Federal Funds			
Other Funds			
Reimbursements	(0995)		
Net Total Augmentation (Source of Funds)		\$8,851	\$7,160

**DETAIL OF STAFF BENEFITS
AND PERSONAL SERVICES**

Staff Benefits Detail:	CY	BY	BY + 1
	2011-12	2012-13	2013-14
	<i>(Whole Dollars)</i>		
OASDI		\$242,046	\$241,205
Health Insurance		416,509	416,445
Retirement		466,324	466,252
Workers' Compensation		1,887	1,887
Industrial Disability Leave		2,705	2,704
Non-Industrial Disability Leave		2,422	2,421
Unemployment Insurance		1,572	1,572
Other		10,567	10,565
TOTAL		\$1,144,032	\$1,143,051

Classification	Positions			Salary Range	Amount		
	CY	BY	BY + 1		CY	BY	BY + 1
	2011-12	2012-13	2013-14		2011-12	2012-13	2013-14
External Affairs							
Tax Technician II		2.0	2.0	\$35,088		\$70,176	\$70,176
Tax Technician III		.5	.5	39,240		\$19,620	\$19,620
Property and Special Taxes							
Associate Tax Auditor (BOE)		1.5	1.5	63,096		\$94,644	\$94,644
Business Taxes Compliance Specialist		2.0	2.0	61,416		\$122,832	\$122,832
Business Taxes Compliance Specialist		2.0	2.0	61,416		\$122,832	\$122,832
Business Taxes Administrator I		2.0	2.0	67,524		\$135,048	\$135,048
Business Taxes Administrator I		1.0	1.0	67,524		\$67,524	\$67,524
Business Taxes Representative		16.0	16.0	46,656		\$746,496	\$746,496
Business Taxes Representative		2.0	2.0	46,656		\$93,312	\$93,312
Business Taxes Specialist I		1.0	1.0	70,824		\$70,824	\$70,824
Business Taxes Specialist I		1.0	1.0	70,824		\$70,824	\$70,824
Business Taxes Specialist II		1.0	1.0	76,116		\$76,116	\$76,116
Office Assistant (General)		2.0	2.0	29,064		\$58,128	\$58,128
Supervising Tax Auditor II		1.0	1.0	83,976		\$83,976	\$83,976
Tax Technician II (BOE)		5.0	5.0	35,088		\$175,440	\$175,440
Tax Technician III (BOE)		5.0	5.0	39,240		\$196,200	\$196,200
Tax Technician III (BOE)		9.0	9.0	39,240		\$353,160	\$353,160
TRA							
Tax Technician I		1.0	1.0	31,536		\$31,536	\$31,536
Administration							
<i>Business Services Branch</i>							
Associate Bus. Management Analyst		.5	.5	58,488		\$29,244	\$29,244
Staff Info. Systems Analyst		.5	.5	69,192		\$34,596	\$34,596
<i>Human Resources Branch</i>							
Personnel Specialist		.5	.5	40,020		\$20,010	\$20,010
<i>Mail Services Department</i>							
Mailing Machine Operator II		.5	.5	35,196		\$17,598	\$17,598
Office Assistant (General)		.5	.5	29,064		\$14,532	\$14,532
TSD							
Staff Info. Systems Analyst		.5	.5	69,192		\$34,596	\$34,596
Accounting							
Accountant Trainee		.5	.5	41,952		\$20,976	\$20,976

					<u>BCP No. A11x1 29</u>	
Tax Revenue Branch	<u>b</u>					
Office Assistant (General)	<u>b</u>	2.0	2.0	29,064	\$58,128	\$58,128
Info. Systems Tech.	<u>b</u>	3.0	3.0	37,308	\$111,924	\$111,924
Key Data Operator	<u>b</u>	4.0	4.0	30,768	\$123,072	\$123,072
Blanket Funds:						
Overtime (Various)		(.3)	(.1)		19,113	8,596
Temporary Help		1.7	1.7		91,028	91,028
TOTAL SALARIES AND WAGES		<u>69.2</u>	<u>69.2</u>		<u>\$3,163,505</u>	<u>\$3,152,868</u>

a The salary is the mid-step of the salary range for the stated classification.
b Positions effective 7/1/2012.

STATE BOARD OF EQUALIZATION



BOARD APPROVED

At the September 21, 2011 Board Meeting

Diane G. Olson
 Diane G. Olson, Chief
 Board Proceedings Division

