

STATE AND CONSUMER SERVICES

The State and Consumer Services Agency's (SCSA) mission is to help educate consumers and make government more efficient, effective, and accountable for all California taxpayers. Among its many responsibilities, the agency licenses more than 2.5 million Californians in more than 240 different professions, procures more than \$8.9 billion in goods and services, and oversees the Franchise Tax Board.

In addition to the changes discussed in this chapter, the May Revision includes proposals to reduce state operations and achieve statewide efficiencies. Please see the Reducing State Government chapter for the details of the Governor's proposal.

FRANCHISE TAX BOARD

The Franchise Tax Board (FTB) is tasked with administration of the state's personal income tax and corporations tax. Activities include tax return processing, filing enforcement, audit, and collection of delinquent amounts owed.

RECENTLY ADOPTED SOLUTIONS

The Legislature approved the following major solution in March which was signed into law by the Governor.

- Financial Institutions Records Match—An increase of \$1.3 million and 3 positions for the Financial Institution Record Match (FIRM) to generate \$30 million in

2011-12 revenues. Under FIRM, financial institutions will establish a quarterly records match process between their customer records and the FTB's records of delinquent taxpayers. If the records match shows a delinquent taxpayer has funds deposited with the financial institution, the institution would remit to the FTB an amount sufficient to satisfy the outstanding debt.

SOLUTIONS TO ADDRESS REMAINING SHORTFALL

Previously proposed solutions are needed to address the remaining budget shortfall:

- Enterprise Data to Revenue Project—An increase of \$28.9 million in 2011-12 for the Enterprise Data to Revenue (EDR) project, which will enhance FTB's filing, audit, and collections functions via creation of a new data warehouse, and by creating new business efficiencies. EDR is proposed as a benefits-based procurement, meaning the vendor will be paid with revenues generated by the project. FTB projects EDR to generate \$4.7 billion through 2017-18, with total project costs of \$664 million.