

STATE OF CALIFORNIA  
**Budget Change Proposal - Cover Sheet**  
 DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 0860	Department State Board of Equalization	Priority No. 1
Budget Request Name 0860-001-BCP-DP-2016-GB		Program <b>0570475-FIRE PREVENTION FEE PROGRAM</b>	Subprogram

Budget Request Description  
 Permanent Establishment of Fire Prevention Fee Limited Term Positions

Budget Request Summary

The Board of Equalization (BOE) requests \$1.4 million (Special Funds) and 8.6 positions (permanent establishment of limited term positions set to expire June 30, 2016 and 7.2 in temporary help positions) in Fiscal Year 2016-17 and ongoing for the BOE to continue processing mandated workload associated with Assembly Bill (AB) x1 29 (Chapter 8, Statutes of 2011, effective July 1, 2011).

ABx1 29 imposed an annual fee to be assessed on habitable structures located on property within the State Responsibility Area (SRA) in order to pay for fire prevention activities in the SRA that specifically benefit owners of the structures within the SRA. Among its provisions, the bill required the BOE to assess and collect the SRA Fire Prevention Fee on behalf of the Department of Forestry and Fire Protection (CAL FIRE). ABx1 29 created a substantial workload that could not be absorbed by the BOE. Total Program revenues are anticipated to be approximately \$82 million annually.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
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

For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, 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

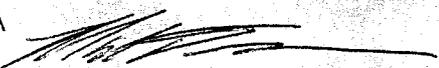
*Attach comments of affected department, signed and dated by the department director or designee.*

Budget Officer <i>Steven Menez (acting)</i>	Date 12-11-15	Chief, Financial Management Division <i>Julia F. Lindley, Acting</i>	Date 12-22-15
Deputy Director, Administration <i>Edna M. Muechy</i>	Date 1-4-16	Executive Director <i>Dan H. ...</i>	Date 1/4/16

**Department of Finance Use Only**

Additional Review:  Capital Outlay     ITCU     FSCU     OSAE     CALSTARS     Dept. of Technology

BCP Type:       Policy       Workload Budget per Government Code 13308.05

PPBA       Date submitted to the Legislature  
1/7/16

## **A. Budget Request Summary**

The Board of Equalization (BOE) requests \$1.4 million (Special Funds) and 8.6 positions (permanent establishment of limited term positions set to expire June 30, 2016) and 7.2 in temporary help positions in Fiscal Year 2016-17 and ongoing for the BOE to continue processing mandated workload associated with Assembly Bill (AB) x1 29 (Chapter 8, Statutes of 2011, effective July 1, 2011).

ABx1 29 imposed an annual fee to be assessed on habitable structures located on property within the State Responsibility Area (SRA) in order to pay for fire prevention activities in the SRA that specifically benefit owners of the structures within the SRA. Among its provisions, the bill required the BOE to assess and collect the SRA Fire Prevention Fee on behalf of the Department of Forestry and Fire Protection (CAL FIRE). ABx1 29 created a substantial workload that could not be absorbed by the BOE. Total Program revenues are anticipated to be approximately \$82 million annually.

## **B. Background/History**

The presence of habitable structures on property within the SRA can pose an increased risk of fire ignition and an increased potential for fire damage within the state's wildlands and watersheds. These habitable structures located on property within the SRA can also impair wildland firefighting techniques and could result in greater damage to state lands caused by wildfires. The Legislature determined that the cost of fire prevention activities aimed at reducing the effects on habitable structures in the SRA should be borne by the owners of these habitable structures. ABx1 29 was passed by the Legislature and established the fire prevention fee to be assessed on owners of habitable structures located on property within the SRA in order to pay for fire prevention activities in the SRA that specifically benefit owners of habitable structures located on property within the SRA. ABx1 29 mandates the BOE to assess and collect the fire prevention fee from these owners.

The BOE submitted FY 2012-13 BCP No. 6 - "State Responsibility Area Fire Prevention Fee" and received limited-term funding and staffing resources that expired on June 30, 2014, to address workload associated with ABx1 29. The estimated workloads in the FY 2012-13 BCP were based on the BOE's experience implementing special tax and fee programs for primarily businesses. However, due to the sheer size and uniqueness (i.e., non-business feepayers) of the SRA Fire Prevention Fee (Fire Prevention Fee) program, the initial workload in the BCP was vastly underestimated. In addition, the workload was impacted due to delayed initial billings; a higher protest rate and collection actions due to negative public sentiment against the fee; errors in the billing data file CAL FIRE used to identify feepayers subject to the fee; and a lower staffing level than originally requested. All these factors contributed to the complexity in administering the program. Funding was provided in FY 2012-13 to cover two billing cycles (FY 2011-12 and FY 2012-13). However, the second billing cycle for FY 2012-13 was delayed until July 2013. Due to the volume of workload and the complexity of administering the program, the BOE overspent its budgeted amount in FY 2012-13 by \$1.7 million to cover one billing cycle alone. The BOE hired temporary help full-time equivalents, contracted with the Franchise Tax Board for 24.0 key data operators, and utilized overtime to assist in processing over 775,000 fire prevention fee billings in a timely manner during the first cycle. Temporary full-time equivalent resources and overtime were used again during FY 2013-14 for the FY 2012-13 billing.

The BOE submitted FY 2014-15 BCP No. 2 - "Fire Prevention Fee Program" which converted 42.0 expiring positions to permanent, continued 12.0 as limited-term positions and established 9.7 one-year temporary staff and 9.0 new two-year limited term positions, to address the ongoing workload. The limited-term positions are set to expire June 30, 2016. This budget change proposal (BCP) requests permanent establishment of 8.6 of the limited-term positions that will expire on June 30, 2016 and 7.2 in temporary help.

Prior positions were only approved as limited-term to ensure the workload continued. As noted in the workload table below, our account maintenance transactions, billings, phone advisor/feepayer inquiries continue to remain high.

**Resource History**  
(Dollars in thousands)

<b>Program Budget</b>	<b>BY – 4 (10-11)</b>	<b>BY – 3 (11-12)</b>	<b>BY – 2 (12-13)</b>	<b>BY – 1 (13-14)</b>	<b>BY (14-15)</b>
Authorized Expenditures	0	\$3,289	\$6,524	\$6,437	\$9,227
Actual Expenditures	0	\$1,115	\$8,048	\$9,829	\$9,370
Revenues	0	\$0	\$75,202	\$143,500	\$81,860
Authorized Positions	0	10.7	60.4	67.0	85.7
Filled Positions	0	2.4	77.1	85.8	72.3
Vacancies	0	8.3	-16.7	-18.8	13.4

**Workload History**

<b>Workload Measure</b>	<b>BY – 4 (10-11)</b>	<b>BY – 3 (11-12)</b>	<b>BY – 2 (12-13)</b>	<b>*BY – 1 (13-14)</b>	<b>BY (14-15)</b>	<b>CY (15-16)</b>
Account Maintenance Transactions	0	0	104,025	108,260	88,923	89,000
Revenue Maintenance	0	0	668,685	1,024,708	582,906	583,000
Billings Issued	0	0	776,808	1,486,665	756,541	757,000
Refunds Issued	0	0	26,243	12,881	12,461	12,500
Phone Advisory/Feepayer Inquiries	0	0	250,547	220,659	119,696	120,000
Returned Mail	0	0	176,883	133,076	65,427	65,000

*\*Represents two billing cycles during this period. The second billing cycle was delayed until July 2013.*

**C. State Level Considerations**

The BOE collects taxes, fees, and surcharges that provide over 30 percent of the annual revenue for state government and essential funding for counties, cities, and special taxing districts. In FY 2013-14, the BOE administered taxes and fees that produced \$60.4 billion for education, public safety, transportation, housing, health services, social services, and natural resource management. The BOE administers the state's sales and use, fuel, alcohol, tobacco, and other taxes, and collects fees that fund specific programs. More than one million businesses are registered with the agency.

The BOE is mandated by the provisions of ABx1 29 to administer the assessment and collection of the fire prevention fee from owners of habitable structures located on property within the SRA, on behalf of CAL FIRE. Additionally, the fees are deposited into the State Responsibility Area Fire Prevention Fund which supports fire prevention activities in SRAs.

**D. Justification**

Approval of this proposal will allow the BOE to continue addressing the ongoing work for the Fire Prevention Fee program, which includes receiving the annual billing list of approximately 760,000 feepayers from CAL FIRE, registering new feepayers, maintaining feepayer accounts, providing program advisory information to feepayers, researching bad mailing addresses, canceling and reissuing billings, researching for purposes of collecting on past due fee billings, processing refunds of overpayments, preparing/setting up installment payment agreements, processing relief from penalties and interest, answering and processing phone calls, cashiering and key data functions.

Generally, the BOE administers tax and fee programs associated with business entities or business operations, not private citizens who may not have the same level of expertise or knowledge of our retailers and other business entity registrants. The estimated average turnover rate of new fire fee registrants per year is 14 percent and is projected to continue. In addition, the Fire Prevention Fee

program has created new and numerous ongoing workload requirements throughout the BOE. Specifically within Special Taxes and Fees, these additional ongoing workload requirements consist of, but are not limited to, inconsistencies and errors in the annual data used to identify feepayers resulting in a high volume of returned mail due to bad mailing addresses which in turn results in numerous billings required to be cancelled and reissued, a larger than expected volume of account and revenue maintenance transactions (i.e., account adjustments, payment verifications, etc.) due to erroneous billing data, and the high volume and lengthy duration of phone calls with feepayers. This ongoing workload related to the Fire Prevention Fee program cannot be absorbed by the BOE.

During the fiscal year 14-15 budget process, the BOE received additional positions to mitigate the backlog of assignments created by the original underestimation of workload required to effectively administer the program. These positions significantly helped the BOE more efficiently manage the Fire Prevention Fee program in areas such as: identifying and applying payments, reviewing and processing requests for relief of penalty forms, researching for correct property ownership and for better addresses on returned mail items and contacting feepayers for payments. However, a backlog continues to remain in these areas. Allowing the limited-term positions to expire would result in a significant increase in backlogged assignments.

Unable to address the workload, and to accurately and timely process it with existing resources, the Key Data Entry Unit relied on assistance from both internal and external resources to address the extended workload associated with the collection and processing of the Fire Prevention Fees. Processing delays create a multitude of issues, including the erroneous generation and mailing of delinquency notices to fee payers, adding to the already negative public relations and press associated with this fee; increased fee payer calls and research workload demands for the Taxpayer Call Center and Special Taxes program; and the loss of daily interest revenue due to depositing delays to the centralized treasury agency banks. The internal redirection of resources has created backlogs in the processing of other workloads, including the data entry function of other BOE programs and the Taxpayer Records Imaging Project (TRIP) scanning project. The external redirection of resources has created funding shortages tied to the required hiring and use of permanent intermittent employees, and required overtime. This request for necessary resources would negate the impact to other BOE programs and properly address the costs associated with the collection, handling and processing of the Fire Prevention Fee.

As compared to other tax and fee programs that the BOE administers, advisory services and account maintenance continue to be at an extremely high volume and longer than average duration of phone calls generated by notices and billings. In reference to our high volume, there are approximately 800,000 registrants in the Fire Prevention Fee program. The average duration of phone calls is between ten and twenty minutes per call and the standard in most other tax or fee programs is ten minutes or less per call. Special Taxes and Fees receives phone advisory calls either directly (i.e. automated system allows direct access to Special Taxes and Fees phone lines), or through our 1-800 customer service representatives.

The BOE has implemented changes to processing procedures that have resulted in achieving greater efficiency (i.e., use of color coded payment envelopes, obtaining a separate PO Box for Fire Prevention Fee program payments, providing payment vouchers with account information to accompany payments, etc.); however, even accounting for improved processing efficiencies, permanent resources are necessary to handle the ongoing high volume workload. Finally, the use of limited-term positions has contributed to higher than usual staff turnover, requiring higher than normal demand for training and staff guidance. The permanent resources needed to support an ongoing workload for a permanent program is expected to continue.

The Fire Prevention Fee program is projected to generate \$82 million in ongoing annual revenue. Permanent resources allow continued program advisory communications with feepayers to encourage and educate voluntary compliance, collection and research activities, account and revenue maintenance for increased data integrity and accurate application of payments, processing of feepayer inquiries, cashiering and key data entry functions, and backlogged assignments to remain at a manageable level. Converting the 8.6 limited term positions, set to expire June 30, 2016, to permanent basis and 7.2 in temporary help in the Key Data Section is crucial for the sustained administration of the

Fire Prevention Fee program and will continue to allow the BOE to timely and appropriately address the ongoing workload.

**E. Outcomes and Accountability**

This proposal will be implemented July 1, 2016. The outcomes identified in this BCP and associated revenue will be measured by the number of billings issued and net billing revenue. Statistical reports that provide detailed and summarized billing and collection information are currently in place and are reported on a weekly, monthly, and yearly basis to management and other stakeholders. The program’s supervisory team will maintain control and provide oversight of the program operations.

**Projected Outcomes**

<b>Workload Measure</b>	<b>CY</b>	<b>BY</b>	<b>BY+1</b>	<b>BY+2</b>	<b>BY+3</b>	<b>BY+4</b>
Account Maintenance Transactions	89,000	44,500	44,500	44,500	44,500	44,500
Revenue Maintenance	583,000	192,390	192,390	192,390	192,390	192,390
Billings Issued	757,000	757,000	757,000	757,000	757,000	757,000
Refunds Issued	12,500	12,500	12,500	12,500	12,500	12,500
Phone Advisory/Feepayer Inquiries	120,000	72,000	72,000	72,000	72,000	72,000
Returned Mail	65,000	32,500	32,500	32,500	32,500	32,500
Estimated Revenue	\$81,860,000	\$81,860,000	\$81,860,000	\$81,860,000	\$81,860,000	\$81,860,000

**F. Analysis of All Feasible Alternatives**

**Alternative 1 – Provide funding and position authority for the permanent establishment of 8.6 limited term positions and 7.2 in temporary help and ongoing.**

Alternative 1 requests \$1.4 million (Special Funds) and 8.6 positions (permanent establishment of limited term positions set to expire June 30, 2016) and 7.2 in temporary help in Fiscal Year 2016-17 and ongoing.

**Pros:**

- Addresses the continued need for additional resources required to handle most of the ongoing workload associated with Fire Prevention Fee Program.
- Ensures the fair, effective, and efficient administration of the Fire Prevention Fee program by assessing and collecting the fee from most obligated feepayers.
- Provides high quality customer service to most feepayers.
- Aligns expenditures with the proper funding source.
- Protects special fund revenue.

**Cons:**

- Increases expenditures from the SRA Fire Prevention Fund.
- May require augmentation if workload does not decrease as anticipated.

**Alternative 2 – Provide funding and position authority for the permanent establishment of 19.5 limited term positions and 7.2 in temporary help and ongoing.**

Alternative 2 requests \$2.8 million (Special Funds) and 19.5 positions (permanent establishment of 19.5 limited term positions set to expire June 30, 2016 and 7.2 in temporary help) in Fiscal Year 2016-17 and ongoing based on historical workload data that does not indicate a decrease in workload.

**Pros:**

- Addresses the continued need for additional resources required to handle ongoing workload associated with Fire Prevention Fee Program.
- Ensures the fair, effective, and efficient administration of the Fire Prevention Fee program by assessing and collecting the fee from all obligated feepayers.
- Provides high quality customer service to feepayers.
- Aligns expenditures with the proper funding source.
- Protects special fund revenue.

**Cons:**

- Increases expenditures from the SRA Fire Prevention Fund.

**Alternative 3 – Do Not Approve This Request (no new or continued resources)**

**Pros:**

- Reduction in expenditures to the Fire Prevention Fund.

**Cons:**

- Does not address the need for continued resources to handle the ongoing workload associated with the Fire Prevention Fee program.
- Will result in a backlog of processing returned mail, longer call wait times, etc.
- Account and revenue maintenance and responding to feepayer phone/letter/email inquiries will not be performed timely.
- Checks will not be processed timely causing Notice of Determinations to be sent to feepayers in error.
- Delayed collections and revenue.
- Risk of overspending budget.

**G. Implementation Plan**

Date (approximate)	Activity
July 2016 and ongoing	Advertise, hire and train new staff (as needed)
	Receive annual billing list from CAL FIRE
	Review/Analyze/Load billing list
	Generate billings
	Update all website and information material
	Continue Compliance workload <ul style="list-style-type: none"> <li>• Registration updates</li> <li>• Account Maintenance/Close-Outs</li> <li>• Advisory Service</li> <li>• Collections</li> </ul>
	Continue to process petitions and issue refunds in coordination with CAL FIRE

**H. Supplemental Information**

None.

**I. Recommendation**

**Alternative 1 is recommended**

Alternative 1 is recommended as it addresses the continued need for permanent resources to efficiently administer the Fire Prevention Fee program in the collection of the fee for disbursement into the State Responsibility Area Fire Prevention Fund.

## **Workload Detail for FY 2016-17 Fire Prevention Fee**

### **Special Taxes and Fees Department**

During the first Fire Prevention Fee program billing cycle, the workload for Special Taxes and Fees Department was vastly underestimated. The workload consisted of, but were not limited to, the volume of returned mail due to a bad mailing address, unapplied or duplicate payments, feepayers requesting to make installment payments, and longer than expected phone calls with feepayers. Furthermore, the workload was impacted due to delayed initial billings; a higher protest rate and collection actions; error in billing data file used to identify feepayers subject to the fee; and a reduced staffing level than originally requested in the initial BCP. These factors added complexity in administering the Fire Prevention Fee program. During the FY 2014-15 budget process, Special Taxes and Fees Department received 18.5 two-year limited-term positions, set to expire June 30, 2016, to address the underestimated workload. Special Taxes and Fees Department requests the conversion of 8.6 limited-term positions to permanent basis to continue to efficiently address the substantial ongoing workload necessary to administer the Fire Prevention Fee program. The following resource requests are based on an estimated 760,000 billings to be issued this fiscal year. Workload estimates are based on actual occurrences.

### **Collection and Registration Branch**

The Collection and Registration Branch of Special Taxes and Fees Department is responsible for researching, updating and maintaining feepayer registration records, providing program advisory services, answering/routing phone calls; handling returned mail items, contacting feepayers for delinquent fees, reviewing and processing requests for installment payment plans and taking collection actions on non-compliant feepayers.

The Collections and Registration Branch requests the conversion of 6.0 limited-term positions, which are set to expire June 30, 2016, to permanent to address the substantial ongoing workload of the Fire Prevention Fee program.

### **Business Taxes Representative- 6.0 expiring Limited Term to Permanent**

The conversion of 6.0 expiring limited term Business Taxes Representative (BTR) positions to permanent is requested to continue to provide advisory services involving telephone contact, correspondence, and/or billings. BTRs perform the majority of the collection activities and investigate the more complex registration and billing issues. During the FY 2014-15 budget process, Special Taxes and Fees received 3.0 permanent BTR positions and 9.0 two-year limited-term BTR positions. The 9.0 limited term BTR positions are set to expire June 30, 2016.

BTR staff continue to experience an extremely high volume of phone calls generated by the various notices and billings. The duration of the phone calls continue to be longer than typical program advisory calls. BTRs are also required to review the feepayers' account information, answer questions, and disseminate information about the new fee and its requirements. The lengthy phone call times and workload are expected to continue.

BTRs are responsible for contacting feepayers for payment, performing basic research on those feepayers who are non-responsive, and placing those who are unable to pay in full on installment payment plans. BTRs are also responsible for following up with feepayers who fail to make payments and for taking appropriate collection action on non-compliant feepayers.

Workload Detail				
Classification: Business Taxes Representative (Collections and Registration Branch)	Time Measure		On-going Activities	
	Activity	M=Minutes H = Hours	Time Per Occurrence	Occurrences Per Year
Account Maintenance	M	15	11,772	2,943
Program Advisory Service	M	15	20,338	5,085
Researching Complex Inquiries	M	45	1,104	828
Skip Tracing	M	20	21,302	7,101
Taking Collection Action (FTB offset & Filing)	M	10	3,269	545
Reviewing documents for Installment Payments (IPA) & follow-up on payments	M	30	1,008	504
Payment Research	M	30	180	90
Provide Assistance to TT IIIs	M	7	1,308	153
Total Hours				17,248
Total Positions (1,800 Hours/Position)				9.6
Total Existing Permanent Positions				3.0
Total Positions Requested (Expiring LT to Permanent)				6.0
Total Overtime Hours Requested				612.5

### Return Processing Branch

The Return Processing Branch of Special Taxes and Fees is responsible for maintaining files, providing clerical support, processing payments, billings, reports, refunds, and relief requests and providing program advisory services.

The Return Processing Branch requests the conversion of 2.6 two-year limited term positions to permanent to address the substantial ongoing workload associated with the Fire Prevention Fee program.

### Tax Technician III – 2.0 expiring Limited Term to Permanent

The conversion of 2.0 expiring limited term Tax Technician III (TT III) positions to permanent is requested to process ongoing workload. During the 2014-15 budget process, Special Taxes and Fees received 2.0 permanent TT III positions and 2.0 limited term TT III positions. The 2.0 limited term positions are set to expire June 30, 2016.

The TT III positions are 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. TT IIIs also maintain the billing file received from CAL FIRE and the resulting differences in the Integrated Revenue Information System (IRIS). Cancel and re-issuance of new billings based on research for more accurate information continue to remain high for TT IIIs due to erroneous information and timing of data received by CAL FIRE. The TT IIIs are also responsible for answering phones and providing program advisory services regarding the Fire Prevention Fee program.

<b>Workload Detail</b>				
<b>Classification: Tax Technician III (Return Processing)</b>	<b>Time Measure</b>		<b>On-going Activities</b>	
<b>Activity</b>	<b>M=Minutes H = Hours</b>	<b>Time Per Occurrence</b>	<b>Occurrences Per Year</b>	<b>Total Hours</b>
Revenue Maintenance (payment review & research)	M	2	204,307	6,810
Cancel and Rebills, Manual Billings, Dishonored Payments	M	2	7,701	257
Payment Verification	M	5	5,679	473
Total Hours				7,540
Total Positions (1,800 Hours/Position)				4.2
Total Existing Permanent Positions				2.0
Total Positions Requested (Expiring LT to Permanent)				2.0

### **Business Taxes Representative- 0.6 expiring Limited Term to Permanent**

The conversion of 0.6 expiring limited term Business Taxes Representative (BTR) positions to permanent is requested to provide advisory services involving telephone contact, correspondence, and/or billings. BTRs investigate the more complex billing issues and respond to feepayer inquiries on notices and billings. During the FY 2014-15 budget process, Special Taxes and Fees received 2.0 permanent BTR positions and 2.5 two-year limited term BTR positions.

As with BTRs in the Collections and Registration Branch, BTRs in the Return Processing Branch continue to experience an extremely high volume and lengthy duration of phone calls generated by the various notices and billings. BTRs are also required to provide advisory services to feepayers via telephone calls and email inquiries, research and reconcile payments and process requests for relief from penalties and interest.

<b>Workload Detail</b>				
<b>Classification: Business Taxes Representative (Return Processing Branch)</b>	<b>Time Measure</b>		<b>On-going Activities</b>	
<b>Activity</b>	<b>M=Minutes H = Hours</b>	<b>Time Per Occurrence</b>	<b>Occurrences Per Year</b>	<b>Total Hours</b>
AR Adjustments (research, verify, adjust request for relief of interest, request for relief of penalty and declaration of timely manner)	M	10	9,191	1,532
Program Advisory Service	M	10	24,722	4,120
Total Hours				5,652
Total Positions (1,800 Hours/Position)				3.1
Total Existing Permanent Positions				2.0
Total Positions Requested (Expiring LT to Permanent)				0.6
Total Overtime Hours Requested				612.5

## Tax Revenue Branch

The Tax Revenue Branch (TRB) is responsible for the timely mailing, collection and processing of the Fire Prevention Fees from the approximately three quarters of a million fee payers on an annual basis. This request is predicated upon the increase in workload generated by the implementation of Fire Prevention Fee program without a commensurate increase in the number of processing staff.

Specifically, the BOE was mandated to collect fire prevention fees on an annual basis beginning in calendar year 2012. As a result, over the past three years, the collection and processing of Fire Prevention Fees is 40% of the total workload being performed by Cashier's and Key Data Entry. The unexpected impact to the Tax Revenue Branch was predicated on an assumption that the greater majority of the payments would be received and processed electronically. An analysis of the last four fiscal year collections of the fee reveals that 80% of the fee payments are physically mailed to BOE and paid for by paper check.

In FY 2014-15, TRB was responsible for the work behind the collection and processing of 582,906 of the total 726,338 Fire Prevention Fee that were mailed; and depositing \$67,969,213 of the total \$82,834,000 annual revenue. This equates to 80.2% of the total processing and 82% of the annual total revenue being physically collected by the Tax Revenue Branch. Unfortunately, TRB workload for the collection of the FPF was seriously underestimated and forecasted in the original BCP. The unrealized impact of the manual processes behind the processing and collection of this fee has seriously impacted the operations of this unit, specifically the Key Data Entry Unit.

### **Key Data Section – 8,000 temporary help hours and 1,200 overtime hours**

The Imaging and Mail Processing Center and Cashier Unit within the Tax Revenue Branch have been successful in addressing the Fire Prevention Fee workload with existing and allocated resources. The exception has been with the Key Data Entry Unit.

The Tax Revenue Branch is requesting 8,000 temporary help hours and 1,200 overtime hours for the Data Entry Unit of TRB. KDOs are responsible for accurately preparing vouchers and verifying check data, and data entry of key information into the IRIS database. To ensure accuracy, KDOs manually balance checks by creating adding machine tapes and comparing totals in the IRIS database as well as, the electronic totals in Check21's check services modules. Any check data, such as MICR, Courtesy Amount Recognized (CAR) and Legal Amount Recognized (LAR) that the Check21 system lacks adequate confidence in determining without human intervention are corrected and/or verified in work queues by Key Data Operators. KDO time tracking data reveals an average processing time of 2.5 minutes per each Fire Prevention Fee.

# BCP Fiscal Detail Sheet

BCP Title: Permanent Establishment of Fire Prevention Fee Limited Term Positions

DP Name: 0860-001-BCP-DP-2016-GB

## Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	8.6	8.6	8.6	8.6	8.6
Positions - Temporary	0.0	7.2	7.2	7.2	7.2	7.2
<b>Total Positions</b>	<b>0.0</b>	<b>15.8</b>	<b>15.8</b>	<b>15.8</b>	<b>15.8</b>	<b>15.8</b>
Salaries and Wages						
Earnings - Permanent	0	411	411	411	411	411
Earnings - Temporary Help	0	302	302	302	302	302
Overtime/Other	0	82	82	82	82	82
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$795</b>	<b>\$795</b>	<b>\$795</b>	<b>\$795</b>	<b>\$795</b>
Total Staff Benefits	0	434	434	434	434	434
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$1,229</b>	<b>\$1,229</b>	<b>\$1,229</b>	<b>\$1,229</b>	<b>\$1,229</b>
Operating Expenses and Equipment						
5301 - General Expense	0	24	24	24	24	24
5304 - Communications	0	7	7	7	7	7
5322 - Training	0	7	7	7	7	7
5324 - Facilities Operation	0	102	102	102	102	102
5326 - Utilities	0	2	2	2	2	2
5344 - Consolidated Data Centers	0	23	23	23	23	23
5346 - Information Technology	0	1	1	1	1	1
539X - Other	0	26	26	26	26	26
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$192</b>	<b>\$192</b>	<b>\$192</b>	<b>\$192</b>	<b>\$192</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$1,421</b>	<b>\$1,421</b>	<b>\$1,421</b>	<b>\$1,421</b>	<b>\$1,421</b>
<b>Fund Summary</b>						
Fund Source - State Operations						
3063 - State Responsibility Area Fire Prevention Fund	0	1,421	1,421	1,421	1,421	1,421
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$1,421</b>	<b>\$1,421</b>	<b>\$1,421</b>	<b>\$1,421</b>	<b>\$1,421</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$1,421</b>	<b>\$1,421</b>	<b>\$1,421</b>	<b>\$1,421</b>	<b>\$1,421</b>
<b>Program Summary</b>						
Program Funding						
0570475 - Fire Prevention Fee Program	0	1,421	1,421	1,421	1,421	1,421

9900100 - Administration	0	129	129	129	129	129
9900200 - Administration - Distributed	0	-129	-129	-129	-129	-129
<b>Total All Programs</b>	<b>\$0</b>	<b>\$1,421</b>	<b>\$1,421</b>	<b>\$1,421</b>	<b>\$1,421</b>	<b>\$1,421</b>

**Personal Services Details**

Positions	Salary Information								
	Min	Mid	Max	CY	BY	BY+1	BY+2	BY+3	BY+4
1975 - Tax Techn III (Eff. 07-01-2016)				0.0	2.0	2.0	2.0	2.0	2.0
8690 - Bus Taxes Rep (Eff. 07-01-2016)				0.0	6.6	6.6	6.6	6.6	6.6
OT00 - Overtime (Eff. 07-01-2016)				0.0	0.0	0.0	0.0	0.0	0.0
TH00 - Temporary Help (Eff. 07-01-2016)				0.0	7.2	7.2	7.2	7.2	7.2
<b>Total Positions</b>				<b>0.0</b>	<b>15.8</b>	<b>15.8</b>	<b>15.8</b>	<b>15.8</b>	<b>15.8</b>

Salaries and Wages	CY	BY	BY+1	BY+2	BY+3	BY+4
1975 - Tax Techn III (Eff. 07-01-2016)	0	83	83	83	83	83
8690 - Bus Taxes Rep (Eff. 07-01-2016)	0	328	328	328	328	328
OT00 - Overtime (Eff. 07-01-2016)	0	82	82	82	82	82
TH00 - Temporary Help (Eff. 07-01-2016)	0	302	302	302	302	302
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$795</b>	<b>\$795</b>	<b>\$795</b>	<b>\$795</b>	<b>\$795</b>

Staff Benefits	CY	BY	BY+1	BY+2	BY+3	BY+4
5150200 - Disability Leave - Industrial	0	1	1	1	1	1
5150350 - Health Insurance	0	113	113	113	113	113
5150500 - OASDI	0	61	61	61	61	61
5150600 - Retirement - General	0	146	146	146	146	146
5150700 - Unemployment Insurance	0	1	1	1	1	1
5150800 - Workers' Compensation	0	7	7	7	7	7
5150900 - Staff Benefits - Other	0	105	105	105	105	105
<b>Total Staff Benefits</b>	<b>\$0</b>	<b>\$434</b>	<b>\$434</b>	<b>\$434</b>	<b>\$434</b>	<b>\$434</b>
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$1,229</b>	<b>\$1,229</b>	<b>\$1,229</b>	<b>\$1,229</b>	<b>\$1,229</b>