STATE OF CALIFORNIA

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Executive Director

April 30, 2009

Mr. Gregg Fukuhara
Office of the State Chief Information Officer
Technology Review and Oversight
915 L Street, 6th Floor
Sacramento, CA 95814

Subject: **Special Project Report for the Electronic Services (E-Services) Expansion Project – No. 0860-91**

Dear Mr. Fukuhara:

Enclosed is the Special Project Report (SPR) for the Electronic Services (E-Services) Expansion Project in support of the Board of Equalization's (BOE) request for approval to continue development/implementation of this project.

I certify that the SPR was prepared in accordance with the State Administrative Manual Sections 4945-4945.2 and that the proposed project changes are consistent with the BOE's Information Management Strategic Plan.

I have reviewed and agree with the information in the attached SPR. Please contact Ms. Michelle Maciel at (916) 323-6347, if additional information regarding this SPR is needed.

Sincerely,

Ramon J. Hirsig
Executive Director

RJH:MM:jy

Enclosures (2 copies)

cc: Ms. Brandi Rhodes, Office of the Legislative Analyst (1 copy)
Ms. Randie L. Henry (MIC 43)
Mr. David J. Gau (MIC 69)
Ms. Anna Brannen (MIC 26)
Ms. Liz Houser (MIC 69)
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Ms. Michelle Maciel (MIC 92)
Ms. Jocelyn Whitney (MIC 26)
Mr. James Hutchinson (MIC 26)

STATE BOARD OF EQUALIZATION

SPECIAL PROJECT REPORT

ELECTRONIC SERVICES (E-SERVICES)
EXPANSION PROJECT
PROJECT NUMBER 0860-91

April 2009

Table of Contents

1.0 Executive Project Approval 1
2.0 Project Summary Package 2
3.0 Proposed Project Change 8
3.1 Project Background/Summary 8
3.2 Project Status 9
3.3 Reason for the Proposed Change 10
3.4 Proposed Project Change 10
3.5 Impact of Proposed Project Change 10
3.6 Feasible Alternatives Considered 11
3.7 Implementation Plan 12
4.0 Updated Project Management Plan 12
4.1 Project Manager Qualifications 12
4.2 Project Management Methodology 12
4.3 Project Organization 12
4.4 Project Priorities 13
4.5 Project Plan 13
4.5.1 *Project Scope* 13
4.5.2 *Project Assumptions* 13
4.5.3 *Project Phasing* 14
4.5.4 *Project Roles and Responsibilities* 14
4.5.5 *Project Schedule* 15
4.6 Project Monitoring 16
4.7 Project Quality 16
4.8 Change Management 16
4.9 Authorization Required 16
5.0 Updated Risk Management Plan 16
6.0 Updated Economic Analysis Worksheets (EAWs) 17
7.0 Original Economic Analysis Worksheets (EAWs) 26
Attachment I 37

1.0 Executive Project Approval

Information Technology Project Request

Special Project Report
Executive Approval Transmittal

Department Name			
Board of Equalization			
Project Title (maximum of 75 characters)			**Project Acronym**
Electronic Services (E-Services) Expansion Project			**ESEP**
FSR Project ID	**FSR Approval Date**	**Department Priority**	**Agency Priority**
0860-91	**12/31/07**	**High**	**1**

APPROVAL SIGNATURES

I am submitting the attached Special Project Report (SPR) in support of our request for the Department of Finance's and approval to continue development and/or implementation of this project.

I certify that the SPR was prepared in accordance with the State Administrative Manual Sections 4945-4945.2 and that the proposed project changes are consistent with our information management strategy as expressed in our current Agency Information Management Strategy (AIMS).

I have reviewed and agree with the information in the attached Special Project Report.

Chief Information Officer		**Date Signed**
Anna Brannen		4/29/09
Printed name:	Anna Brannen	
Budget Officer		**Date Signed**
Caroline Cabias		4/29/09
Printed name:	Caroline Cabias	
Department Director		**Date Signed**
RLHenry		4-29-09
Printed name:	Randie L. Henry	
Agency Secretary		**Date Signed**
		4-29-09
Printed name:	Ramon J. Hirsig	

2.0 Project Summary Package

1.	Submittal Date	

		FSR	SPR	PSP Only	Other:
2.	Type of Document		X		
	Project Number	0860-91			

			Estimated Project Dates	
3.	Project Title	Electronic Services (E-Services) Expansion Project Update	Start	End
	Project Acronym	ESEP	12/3/08	3/28/2011

4.	Submitting Department	Board of Equalization
5.	Reporting Agency	N/A

6. Project Objectives

This proposal will help the BOE address strategic issues, such as creating efficient and cost effective programs while reducing processing and increasing revenues. Additionally, the proposal allows for the timely implementation of the 1% Sales and Use Tax increase (effective April 1, 2009) system changes.

8.	Major Milestones	Est. Comp. Date
	1% Sales and Use Tax Increase – Return Addressing	4/10/2009
	1% Sales and Use Tax Increase – Return Processing/eFiling	5/11/2009
	eFiling for Fuel Distributors/Retailer Returns	3/15/2010
	Internet Registration	11/8/2010
	Online Requests for Installation Payment Agreements	12/27/2010
	Online Extension, Relief of Penalty/Interest, and Declaration of Timely Mailing Requests	2/7/2011
	eFiling for eWaste, Underground Storage Tank, and Tire Fee Returns	3/14/2011
	Cigarette Manufacturer/Distributor Returns and Schedules	3/28/2011
	PIER	**9/30/2012**
	Key Deliverables	
	Project Charter, Design Document, WBS	**2/26/09 – 4/30/2010**
	Final Schedule, Software Requirements	**2/27/09 – 6/25/10**
	Software Design Description	**3/5/09 – 7/23/10**
	Construction	**3/18/09 – 12/3/10**
	Test Plans, Scripts, User Acceptance, System Implementation	**4/3/09 – 3/28/11**

7. Proposed Solution: The proposed solution recommends the purchase of a software product and related consulting and integration services, combined with the internal and external resources necessary to expand BOE's electronic filing (eFiling) and other electronic services (eServices). The project will 1) include the mandated 1% Sales and Use Tax increase, 2) expand the current eFiling system to allow for fuel retailer/distributor, cigarette manufacturer/distributor, electronic waste fee, underground storage tank maintenance fee, and California tire fee accounts, 3) create an Internet registration system for all tax and fee programs, 4) provide for online processing of extension, relief of penalty/interest and declaration of timely mailing requests, and 5) provide for online requests for installation payment agreements.

Project #	0860-91
Doc. Type	SPR

Executive Contacts								
	First Name	Last Name	Area Code	Phone #	Ext.	Area Code	Fax #	E-mail
Agency Secretary	Ramon	Hirsig	916	327-4975		916	324-2586	Ramon.Hirsig@boe.ca.gov
Dept. Director	Randie	Henry	916	445-1441		916	322-7175	Randie.Henry@boe.ca.gov
Budget Officer	Caroline	Cabias	916	322-3320		916	322-3184	Caroline.Cabias@boe.ca.gov
CIO	Anna	Brannen	916	445-8677		916	327-3483	Anna.Brannen@boe.ca.gov
Project Sponsor	Randie	Henry	916	445-1441		916	322-7175	Randie.Henry@boe.ca.gov

Direct Contacts								
	First Name	Last Name	Area Code	Phone #	Ext.	Area Code	Fax #	E-mail
Doc. Prepared by	Michelle	Maciel	916	323-6347		916	322-4530	Michelle.Maciel@boe.ca.gov
Primary Contact	Michelle	Maciel	916	323-6347		916	322-4530	Michelle.Maciel@boe.ca.gov
Project Manager	Michelle	Maciel	916	323-6347		916	322-4530	Michelle.Maciel@boe.ca.gov

1.	What is the date of your current Operational Recovery Plan (ORP)?	Date	4/15/06
2.	What is the date of your current Agency Information Management Strategy (AIMS)?	Date	2007-08
3.	For the proposed project, provide the page reference in your current AIMS and/or strategic business plan.	Doc.	Information Management Strategy (AIMS)
		Page #	18

Project #	0860-91
Doc. Type	SPR

		Yes	No
4.	5. Is the project reportable to control agencies?	X	
	If YES, CHECK all that apply:		
X	a) The project involves a budget action.		
	b) A new system development or acquisition that is specifically required by legislative mandate or is subject to special legislative review as specified in budget control language or other legislation.		
X	c) The estimated total development and acquisition cost exceeds the departmental cost threshold and the project does not meet the criteria of a desktop and mobile computing commodity expenditure (see SAM 4989 – 4989.3).		
	d) The project meets a condition previously imposed by Finance.		

Budget Augmentation Required?			
	Yes	x	If YES, indicate fiscal year(s) and associated amount:

	2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	TOTAL
	$5,163,232	$4,367,186	$2,000,084	$1,820,864	$1,820,864	$1,820,864	$ 16,993,094

PROJECT COSTS

1.	Fiscal Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	TOTAL
2.	One-Time Cost	$5,367,684	$4,491,353	$ 978,813	$0	$0	$0	$10,837,850
3.	Continuing Costs	$ 475,192	$1,154,896	$1,900,764	$1,820,864	$1,820,864	$1,820,864	$ 8,993,444
4.	TOTAL PROJECT BUDGET	$5,842,876	$5,646,249	$2,879,577	$1,820,864	$1,820,864	$1,820,864	$19,831,294

SOURCES OF FUNDING

5.	General Fund	$1,920,722	$1,624,593	$ 744,031	$ 677,361	$ 677,361	$ 677,361	$6,321,429
6.	Redirection	$ 679,644	$1,279,063	$ 879,493	$0	$0	$0	$2,838,200
7.	Reimbursements	$1,280,482	$1,083,062	$ 496,021	$ 451,574	$ 451,574	$ 451,574	$4,214,287
8.	Federal Funds	$0	$0	$0	$0	$0	$0	$0
9.	Special Funds	$1,962,028	$1,659,531	$ 760,032	$ 691,929	$ 691,929	$ 691,929	$6,457,378
10.	Grant Funds	$0	$0	$0	$0	$0	$0	$0
11.	Other Funds	$0	$0	$0	$0	$0	$0	$0
12.	PROJECT BUDGET	$5,842,876	$5,646,249	$2,879,577	$1,820,864	$1,820,864	$1,820,864	$19,831,294

PROJECT FINANCIAL BENEFITS

13.	Cost Savings/Avoidances	$0	$ 28,121	$1,308,126	$2,591,388	$2,771,155	$2,951,023	$9,649,813
14.	Revenue Increase	$0	$ 324,160	$1,695,440	$3,261,780	$3,261,780	$3,261,780	$11,804,940

Note: The totals in Item 4 and Item 12 must have the same cost estimate.

Project #	0860-91
Doc. Type	SPR

Vendor Cost for FSR Development (if applicable)	
Vendor Name	N/A

VENDOR PROJECT BUDGET

1.	Fiscal Year	2008/09	2009/10	2010/11	TOTAL
2.	Primary Vendor Budget	$3,529,420	$2,591,370		$6,120,790
3.	Independent Oversight Budget	$93,600	$93,600	$15,600	$202,800
4.	IV&V Budget	$109,200	$109,200	$18,200	$236,600
5.	Other Budget	$463,420	$393,120	$65,520	$922,060
6.	TOTAL VENDOR BUDGET	$4,195,640	$3,187,290	$99,320	$7,482,250

----------(APPLIES TO SPR ONLY)----------

PRIMARY VENDOR HISTORY SPECIFIC TO THIS PROJECT

7.	Primary Vendor	N/A ~ No primary vendor, multiple vendors are hired throughout the project.
8.	Contract Start Date	
9.	Contract End Date (projected)	
10.	Amount	

PRIMARY VENDOR CONTACTS

	Vendor	First Name	Last Name	Area Code	Phone #	Ext.	Area Code	Fax #	E-mail
11.	N/A – No primary vendor								
12.									
13.									

Project #	0860-91
Doc. Type	SPR

RISK ASSESSMENT

	Yes	No
Has a Risk Management Plan been developed for this project?	X	

General Comment(s)
The Electronic Services Expansion Project schedule contains a project risk phase. The main deliverable from this phase is the Risk Management Plan in accordance with the BOE Project Management Methodology (PMM). The project manager will have primary day-to-day responsibility for managing risks and will conduct a risk analysis for the project. Risks will be analyzed, classified and prioritized to reflect probability of occurrence and impact. The project manager will be responsible for tracking risks, determining status relative to risk triggers and implement risk responses as necessary. Identified risks will be escalated to the appropriate levels as necessary in order to properly mitigate the risks. An update on the condition of these risks will be included in the on-going status report to management.

3.0 Proposed Project Change

3.1 Project Background/Summary

The Board of Equalization (BOE) administers 27 different tax and fee programs, which provide nearly 36% of the State's annual revenue. These taxes and fees generated $53.87 billion in revenue during Fiscal Year (FY) 2006-07[1]. Revenues collected by the BOE benefit programs that support public safety, transportation, house, health and social services, and natural resources management. More than one million businesses are registered with the agency. To carry out the mission and goals of the agency, the BOE employs more than 4,000 employees in its Sacramento Headquarters, 28 Sales and Use Tax district offices, three Property Tax field offices, and three out-of-state offices (New York, Chicago, and Houston).

Since the implementation of electronic filing (eFiling), the BOE has made great strides in transitioning taxpayers to file their sales and use tax returns electronically. Beginning in 2001, eligible taxpayers could file their sales and use tax return for a fee over the Internet using service providers known as Electronic Return Originators (EROs). Participation in the program was low due in part to the fee charged by the EROs. To address the low participation rate and to give taxpayers a free option to eFile their sales and use tax returns, the BOE implemented BOE-file in September 2005. BOE-file provided eFiling for approximately 700,000 single location sales and use tax accounts (long form). Taxpayers that met the eligibility criteria were able to eFile and pay their liability in the same transaction. This included taxpayers on a monthly, quarterly, fiscal year and calendar year reporting basis.

In July 2006, the BOE implemented eFiling for single location sales and use tax accounts that file an EZ return (short form). This enhancement provided a more streamlined eFiling option for those taxpayers that do not need to complete all the fields present on the long form version.

As of May 2007, the BOE implemented additional enhancements to allow single location sales and use taxpayers on a quarterly prepayment basis to eFile their quarterly prepayment returns and monthly prepayment forms, as well as the option for eFilers to pay via credit card using a third party credit card processor. At this point, approximately 89% of sales and use tax accounts were eligible to eFile; however, the growth in voluntary participation was still relatively unsatisfactory (approximately 3.5% of all sales and use tax accounts for FY 2007-08).

At the March 18, 2008 Board of Equalization meeting, BOE staff presented a more aggressive proposal to accelerate the transition of sales and use taxpayers from paper to eFiling. With this aggressive approach, the BOE proposed to "prescribe" eFiling and set the plan in motion to discontinue sending paper returns/forms for various groups of sales and use taxpayers beginning with the new seller's permit holders and those accounts on a quarterly prepayment basis. Currently, 33% of all Sales and Use Tax returns and prepayments are being eFiled for FY 2008-09.

[1] State Board of Equalization, 2006-07 Annual Report

The BOE's long term goal is to move away from the current paper-based manual systems and focus on development of new online services while capitalizing on proven technology. Accordingly, on July 16, 2007 the BOE submitted a Feasibility Study Report (FSR) in support of the Electronic Services (E-Services) Expansion Project (E-Services Expansion, Project No. 0860-91), which identified a number of updates to the BOE's eServices. The FSR was approved by the Department of Finance on December 31, 2007.

The FSR proposed the development of additional eServices components, which included Internet registration for all tax and fee programs; eFiling for selected special taxes returns; eFiling for Fuel Retailers and Distributors; online Requests for Extension, Relief of Penalty/Interest, and Declaration of Timely Mailing; and online Requests for Installation Payment Agreements. Components identified in the FSR are expected to provide the foundation that will allow tax and fee payers the ability to do business with the BOE electronically.

System changes outlined in the FSR were delayed approximately five months due to the delay in the passage of the FY 2008-09 budget. Additional delays were caused due to the recently mandated 1% increase in the sales and use tax rate. The Governor issued a proclamation declaring a fiscal emergency, and called a special session for this purpose, on December 19, 2008. The temporary 1% increase in the sales and use tax rate from April 1, 2009 through July 1, 2012 was declared to take in effect immediately as an urgency statute. Under the current law, the statewide sales and use tax rate is 7.25%. Of the 7.25% base rate, 6.25% is the state portion and 1% is the local portion which is allocated to cities and counties. The temporary increase in the tax changed the state portion from 6.25% to 7.25% (base rate of 8.25%). The BOE also administers sales and use taxes that are levied at varying rates (from 0.10 to 1.0%) in various cities, counties, and special tax jurisdictions and which are distributed pursuant to RTC §7251 et seq.

3.2 Project Status

Once the FY 2008-09 budget was passed, the BOE held a kick-off meeting on December 3, 2008 to begin the E-Services Expansion Project. The project schedule was updated and approved by the Steering Committee on March 18, 2009. The eFiling for Fuel Retailers and Distributor Returns and Internet Registration components are currently in the Logical Design phases; however, further delays to the project have occurred due to the recently chaptered 1% temporary sales and use tax increase (Chapter 18, Statutes of 2009 [AB-3 (Third Extraordinary Session)] that is a critical element of the 2009 Budget Act Package approved by the Governor and the Legislature.

An additional ten week delay has resulted due to the 1% sales and use tax increase system changes. The 1% sales and use tax system changes were divided into two components (Return Addressing and Return Processing/eFiling). The Return Addressing component includes system changes to ensure that taxpayers receive paper returns with the updated tax rate. This component was implemented on April 10, 2009. The Return Processing/eFiling component includes system changes to ensure that taxpayers who eFile electronically report their transactions with the updated tax rate

computation. The Return Processing/eFiling component is currently in the Testing/Training/Implementation phase and is scheduled to be completed by May 11, 2009.

The remaining components identified in the FSR are scheduled to begin the Conceptual Design phases in August 2009 (eFiling for Cigarette Manufacturer and Distributor Returns and Schedules) and March 2010 (online Requests for Installment Payment Agreements; online Extension, Relief of Penalty/Interest, and Declaration of Timely Mailing Requests; and eFiling for eWaste, Underground Storage Tank, and Tire Fee Returns).

3.3 Reason for the Proposed Change

Due to the five month delay in passing the budget, an update to the overall project schedule is required in order to provide the scope of work identified in the E-Services Expansion Project FSR.

In addition to the budget delay, the BOE must change the scope of the project to include the mandated 1% sales and use tax increase effective April 1, 2009. Since all of the sales and use taxpayers are transitioning or have already transitioned from paper to eFiling, the BOE must include the 1% sales and use tax increase system changes in its eFile system in an effort to meet the urgent timeframes. The Governor has declared a fiscal emergency and in order to meet the urgent timeframes to impose the 1% sales and use tax increase effective April 1, 2009, the BOE proposes to use existing state staff and contract resources currently working on the E-Services Expansion Project. This would ensure that mandated timeframes are met and taxpayers are able to report taxes due by May 31, 2009. Adding system changes associated with the 1% sales and use tax increase will allow the BOE to complete the scope of the E-Services Expansion Project utilizing existing project resources and accomplish the 1% sales and use tax increase system changes with the minimum impact to the current project.

3.4 Proposed Project Change

Attachment I to this SPR outlines the updated schedule necessary to complete the scope of work identified in the approved FSR for the E-Services Expansion Project. Overall completion of the project is expected to be delayed by approximately seven months beyond the original completion date.

This SPR also documents the revised schedule and budget to incorporate the 1% sales and use tax system changes which are currently being developed and are scheduled to be implemented May 11, 2009.

3.5 Impact of Proposed Project Change

The project schedule was revised due to the delay in passing the FY 2008-09 budget, which caused the extension of the BOE's plans to implement the components outlined in

the FSR. System changes for all components in the FSR are expected to be implemented approximately seven months later than anticipated.

Additionally, the scope of the project will have to change to include system changes associated with the mandated 1% sales and use tax increase. The implementation of the mandated tax increase, which is effective April 1, 2009, caused an additional extension of the BOE's plans to implement the components outlined in the FSR. BOE determined that it must incorporate the system changes in the current eFiling system to allow taxpayers to eFile sales and use tax returns due May 31, 2009. The BOE has determined that the use of staff and contract resources will allow for the timely implementation of the mandated tax increase.

In order to implement the system changes by the mandated timeframes, additional funding for the 1% sales and use tax increase system changes was requested for FY 2008-09 in the amount of $503,000 ($432,970 software customization and $70,300 in project management costs). The additional funding will be used for external consulting and professional services to ensure that the BOE meets the mandated timeframes. Cognizant of the April 1, 2009 effective date of the 1% sales and use tax rate increase, the Department of Finance is notifying the Legislature that funding for bond debt service payments for the BOE Headquarters' building is being redirected to fund these critical current year (2008-09) implementation needs.

The 1% sales and use tax increase sunsets on either July 1, 2011 or July 1, 2012 depending on whether voters approve the proposed Budget Stabilization Constitutional Amendment at the statewide election to be held in May 2009. If the sales and use tax increase is extended through June 30, 2012, the annual General Fund revenue gain from a 1% increase in the sales and use tax rate will be the following:

FY 2008-09, 4th Qtr.	FY 2009-10	FY 2010-11	FY 2011-12
$1,203,000,000	$4,553,000,000	$4,571,900,000	$4,882,800,000

3.6 Feasible Alternatives Considered

Since all of the sales and use taxpayers are transitioning or have already transitioned to eFiling, the BOE determined that it must include the 1% sales and use tax increase system changes in its eFile system. The BOE considered using current state staff, as opposed to using a combination of state staff and contract resources, but this alternative was not selected as it would not have allowed BOE to meet the mandated timelines.

The required system changes for the 1% sales and use tax increase are greater than can be timely completed with the BOE's current state staff. Without the use of contract resources, the BOE will not be able to meet the mandated timeframes. In order to meet the mandated timeframes and provide eFiling for taxpayers with sales and use tax returns due May 31, 2009, the BOE has augmented state staff with contract staff currently working on the E-Services Expansion Project. Key staff who are assigned to the E-Services Expansion Project have been redirected to work on the sales and use tax increase system changes. As a result of this redirection, consultants hired to work on

the E-Services Expansion Project will be limited in the activities they can perform on the project.

Due to the integrated nature of the BOE's systems, development work on the BOE's existing eFiling system to accommodate the tax increase will delay introducing system changes for the E-Services Expansion Project. A temporary shift of contract staff to work on the 1% sales and use tax increase system changes allows the BOE to accomplish the changes needed to implement the rate increase with the minimum impact to the E-Services Expansion Project.

3.7 Implementation Plan

Updated phases and milestones are shown in the project schedule on Attachment I.

4.0 Updated Project Management Plan

4.1 Project Manager Qualifications

The Project Manager must have a thorough understanding of project management methodologies, including system quality assurance and change management, to ensure that systems fully meet business requirements and are implemented on schedule and in the most cost-effective manner. Furthermore, the Project Manager must possess in-depth knowledge and experience pertaining to risk management and mitigation strategies.

A change in Project Manager was required for the E-Services Expansion Project after the designated Project Manager left the project for personal reasons. The current Project Manager has a Bachelor's Degree in Business Administration and carries with her over 20 years of BOE program and project experience including the following:

Project Manager Experience

- Electronic Funds Transfer Program Implementation
- Credit Card Payment Program Implementation
- Initial Electronic Filing (eFiling) Implementation
- Return Processing Automation Project
- Project Manager for the Electronic Services Expansion Project
- Project Manager for the Electronic Filing Infrastructure Project
- Project Manager for the In House eFiling Project

4.2 Project Management Methodology

The project management methodology described in Section 6.2 of the E-Services Expansion Project FSR will continue to be followed.

4.3 Project Organization

The project organization identified in Section 6.3 of the E-Services Expansion Project FSR has not changed.

4.4 Project Priorities

The project priorities identified in Section 6.4 of the E-Services Expansion Project FSR have not changed.

4.5 Project Plan

4.5.1 *Project Scope*

The project scope identified in Section 6.5.1 of the E-Services Expansion Project FSR has changed to include the system changes associated with the 1% sales and use tax increase effective April 1, 2009. All other items indicated in the original project scope remain the same.

4.5.2 *Project Assumptions*

The project assumptions identified in Section 6.5.2 of the E-Services Expansion Project FSR have not changed.

4.5.3 *Project Phasing*

The project phasing identified in Section 6.5.3 of the E-Services Expansion Project FSR will include the 1% sales and use tax increase as follows:

1% Sales and Use Tax Increase – Return Addressing	
Project Phase	**Project Deliverable**
Conceptual Design	Scope, Business Requirements, Project Charter
Logical Design	Software Requirements Specification
Physical Design	Software Design Description
Construction	Code Development, Specifications Updated
System Testing	Test Plan(s)
User Acceptance	User Acceptance Test Plan
Training	Training Plan and Training Materials
Implementation	Live System
Marketing/Outreach	Flyers, Brochures, Newsletters, Web Content, Seminar Materials, Quarterly Meetings
Stabilization	Stabilize System
1% Sales and Use Tax Increase – Return Processing/eFiling	
Project Phase	**Project Deliverable**
Conceptual Design	Scope, Business Requirements, Project Charter
Logical Design	Software Requirements Specification
Physical Design	Software Design Description
Construction	Code Development, Specifications Updated
System Testing	Test Plan(s)
User Acceptance	User Acceptance Test Plan
Training	Training Plan and Training Materials
Implementation	Live System
Marketing/Outreach	Flyers, Brochures, Newsletters, Web Content, Seminar Materials, Quarterly Meetings
Stabilization	Stabilize System

4.5.4 *Project Roles and Responsibilities*

The project roles and responsibilities identified in Section 6.5.4 of the E-Services Expansion Project FSR have not changed.

4.5.5 *Project Schedule*

The project schedule has been updated to reflect the five month budget delay and the 1% sales and use tax increase system changes.

Phase	Estimated Start Date	Estimated Completion Date
1% Sales and Use Tax Increase – Return Addressing		
Conceptual Design	2/26/2009	2/26/2009
Logical Design	2/27/2009	2/27/2009
Physical Design	3/2/2009	3/5/2009
Construction	3/6/2009	3/18/2009
Testing/Training/Implementation	3/19/2009	4/10/2009
Marketing and Outreach Activities	2/2/2009	5/30/2009
1% Sales and Use Tax Increase – Return Processing/eFiling		
Conceptual Design	3/2/2009	3/4/2009
Logical Design	3/5/2009	3/10/2009
Physical Design	3/11/2009	3/20/2009
Construction	3/23/2009	4/10/2009
Testing/Training/Implementation	4/13/2009	5/11/2009
Marketing and Outreach Activities	3/1/2009	6/30/2009
eFiling for Fuel Distributors/Retailer Returns		
Conceptual Design	1/6/2009	4/2/2009
Logical Design	4/20/2009	6/19/2009
Physical Design	6/22/2009	7/17/2009
Construction	7/20/2009	11/13/2009
Testing/Training/Implementation	11/16/2009	3/15/2010
Marketing and Outreach Activities	12/1/2010	6/30/2010
Internet Registration		
Conceptual Design	1/6/2009	4/17/2009
Logical Design	4/20/2009	6/26/2009
Physical Design	6/29/2009	8/28/2009
Construction	8/31/2009	4/30/2010
Testing/Training/Implementation	5/3/2010	11/8/2010
Marketing and Outreach Activities	8/3/2010	2/28/2011
Online Requests for Installment Payment Agreements		
Conceptual Design	3/1/2010	4/30/2010
Logical Design	5/3/2010	6/25/2010
Physical Design	6/28/2010	7/16/2010
Construction	7/19/2010	9/24/2010
Testing/Training/Implementation	9/27/2010	12/27/2010
Marketing and Outreach Activities	10/1/2010	2/28/2011
Online Extension, Relief of Penalty/Interest, and Declaration of Timely Mailing Requests		
Conceptual Design	3/1/2010	4/30/2010
Logical Design	5/3/2010	6/25/2010
Physical Design	6/28/2010	7/23/2010
Construction	7/26/2010	10/29/2010
Testing/Training/Implementation	11/1/2010	2/7/2011
Marketing and Outreach Activities	12/1/2010	3/31/2011

eFiling for eWaste, Underground Storage Tank, and Tire Fee Returns		
Conceptual Design	3/1/2010	4/30/2010
Logical Design	5/3/2010	6/25/2010
Physical Design	6/28/2010	7/16/2010
Construction	7/19/2010	12/3/2010
Testing/Training/Implementation	12/6/2010	3/14/2011
Marketing and Outreach Activities	12/1/2010	5/31/2011
Cigarette Manufacturer and Distributor Returns and Schedules		
Conceptual Design	8/24/2009	10/23/2009
Logical Design	10/26/2009	12/18/2009
Physical Design	12/21/2009	2/12/2010
Construction	2/15/2010	11/19/2010
Testing/Training/Implementation	11/22/2010	3/28/2011
Marketing and Outreach Activities	1/3/2011	4/29/2011
PIER	5/1/2012	9/30/2012

4.6 Project Monitoring

Project monitoring, as identified in Section 6.6 of the E-Services Expansion Project FSR, will remain in place.

4.7 Project Quality

The project quality assurance approach identified in Section 6.7 of the E-Services Expansion Project FSR will remain in place.

4.8 Change Management

Change management was addressed in Section 6.8 of the E-Services Expansion Project FSR and will remain in place.

4.9 Authorization Required

Approval of this SPR is required from the Office of the State Chief Information Officer.

5.0 Updated Risk Management Plan

A Risk Management Plan was identified in Section 7.0 of the E-Services Expansion Project FSR which documents the process and procedures that BOE is using to manage project risks.

6.0 Updated Economic Analysis Worksheets (EAWs)

6.1 Updated Existing System Cost Worksheet

6.2 Updated Proposed Alternative Worksheet

6.3 Updated Economic Analysis Summary

6.4 Updated Project Funding Plan

6.5 Updated Project Cost Savings

6.1 EXISTING SYSTEM/BASELINE COST WORKSHEET

All costs to be shown in whole (unrounded) dollars.

Department: Board of Equalization

Project: E-Services 2008-10

Date Prepared: 4/10/09

	FY 2008/09		FY 2009/10		FY 2010/11		FY 2011/12		FY 2012/13		FY 2013/14		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
Continuing Information Technology Costs														
Staff (salaries & benefits) a/	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	**165.0**	**16,079,112**
Hardware Lease/Maintenance		165,000		165,000		165,000		165,000		165,000		165,000		**990,000**
Software Maintenance/Licenses														**0**
Contract Services														**0**
Data Center Services		400,000		400,000		400,000		400,000		400,000		400,000		**2,400,000**
Agency Facilities														**0**
Other		360,253		360,253		360,253		360,253		360,253		360,253		**2,161,518**
Total IT Costs	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**165.0**	**21,630,630**
Continuing Program Costs:														
Staff b/	792.2	41,488,660	764.2	40,157,701	748.8	39,424,412	745.5	39,267,786	741.9	39,095,579	739.1	38,966,817	**4531.7**	**238,400,955**
Other		8,245,713		7,973,107		7,822,915		7,790,835		7,755,564		7,729,191		**47,317,325**
Total Program Costs c/	**792.2**	**49,734,373**	**764.2**	**48,130,808**	**748.8**	**47,247,327**	**745.5**	**47,058,621**	**741.9**	**46,851,143**	**739.1**	**46,696,008**	**4531.7**	**285,718,280**
TOTAL EXISTING SYSTEM COSTS	**819.7**	**53,339,478**	**791.7**	**51,735,913**	**776.3**	**50,852,432**	**773.0**	**50,663,726**	**769.4**	**50,456,248**	**766.6**	**50,301,113**	**4696.7**	**307,348,910**

a/ Includes existing technology staff for E-filing and ACMS.

b/ Includes all registration staff, 10% of collection staff, and return support functions for E-filing infrastructure.

c/ Program costs are reduced for projected annual cost savings

6.2 PROPOSED ALTERNATIVE: Software Product Method

Date Prepared: 4/10/09

Department: Board of Equalization
Project: E-Services 2008-10

All Costs Should be shown in whole (unrounded) dollars.

	FY 2008/09		FY 2009/10		FY 2010/11		FY 2011/12		FY 2012/13		FY 2013/14		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs														
Staff (Salaries & Benefits)	6.8	641,329	12.8	1,206,957	8.8	829,912	0.0	0	0.0	0	0.0	0	28.4	2,678,198
Hardware Purchase		5,000		0		0		0		0		0		5,000
Software Purchase/License		459,900		0		0		0		0		0		459,900
Telecommunications								0		0		0		0
Contract Services														
Software Customization a/		3,529,690		2,591,370		0		0		0		0		6,121,060
Project Management b/		463,150		393,120		65,520		0		0		0		921,790
Project Oversight		93,600		93,600		15,600		0		0		0		202,800
IV&V Services		109,200		109,200		18,200		0		0		0		236,600
Other Contract Services		0		0		0		0		0		0		0
TOTAL Contract Services		4,195,640		3,187,290		99,320		0		0		0		7,482,250
Data Center Services		27,500		25,000		0		0		0		0		52,500
Agency Facilities								0		0		0		0
Other		38,315		72,106		49,581		0		0		0		160,002
Total One-time IT Costs	**6.8**	**5,367,684**	**12.8**	**4,491,353**	**8.8**	**978,813**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**28.4**	**10,837,850**
Continuing IT Project Costs														
Staff (Salaries & Benefits) c/	2.8	279,492	7.6	730,996	14.7	1,401,164	14.7	1,401,164	14.7	1,401,164	14.7	1,401,164	69.3	6,615,144
Hardware Lease/Maintenance		100,000		100,000		100,000		100,000		100,000		100,000		600,000
Software Maintenance/Licenses				67,600		69,000		64,000		64,000		64,000		328,600
Telecommunications														0
Contract Services		0		0		0		0		0		0		0
Data Center Services		58,500		162,000		162,000		162,000		162,000		162,000		868,500
Agency Facilities														0
Other		37,200		94,300		168,600		93,700		93,700		93,700		581,200
Total Continuing IT Costs	**2.8**	**475,192**	**7.6**	**1,154,896**	**14.7**	**1,900,764**	**14.7**	**1,820,864**	**14.7**	**1,820,864**	**14.7**	**1,820,864**	**69.3**	**8,993,444**
Total Project Costs	**9.6**	**5,842,876**	**20.4**	**5,646,249**	**23.5**	**2,879,577**	**14.7**	**1,820,864**	**14.7**	**1,820,864**	**14.7**	**1,820,864**	**97.7**	**19,831,294**
Continuing Existing Costs														
Information Technology Staff	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	165.0	16,079,112
Other IT Costs		925,253		925,253		925,253		925,253		925,253		925,253		5,551,518
Total Continuing Existing IT Costs	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**165.0**	**21,630,630**
Program Staff	792.2	41,488,660	764.2	40,157,701	748.8	39,424,412	745.5	39,267,786	741.9	39,095,579	739.1	38,966,817	4531.7	238,400,955
Other Program Costs		8,245,713		7,973,107		7,822,915		7,790,835		7,755,564		7,729,191		47,317,325
Total Continuing Existing Program Costs	**792.2**	**49,734,373**	**764.2**	**48,130,808**	**748.8**	**47,247,327**	**745.5**	**47,058,621**	**741.9**	**46,851,143**	**739.1**	**46,696,008**	**4531.7**	**285,718,280**
Total Continuing Existing Costs	**819.7**	**53,339,478**	**791.7**	**51,735,913**	**776.3**	**50,852,432**	**773.0**	**50,663,726**	**769.4**	**50,456,248**	**766.6**	**50,301,113**	**4696.7**	**307,348,910**
TOTAL ALTERNATIVE COSTS	**829.3**	**59,182,354**	**812.1**	**57,382,162**	**799.8**	**53,732,009**	**787.7**	**52,484,590**	**784.1**	**52,277,112**	**781.3**	**52,121,977**	**4794.4**	**327,180,204**
INCREASED REVENUES				324,160		1,695,440		3,261,780		3,261,780		3,261,780		**11,804,940**

a/ Costs have been increased by $432,970 to include work associated with the 1% sales and use tax increase. The contract remains consistent with the budget and FSR, the payments will occur when services are rendered.

b/ Costs have been increased by $70,300 to reflect costs associated with the change in scope to include the 1% sales and use tax increase.

c/ FY 2010-11 includes 12.5 TSD Positions and 3.0 SUTD positions, less required salary savings (0.8 PY).

6.3 ECONOMIC ANALYSIS SUMMARY

Date Prepared: 4/10/09

Department: Board of Equalization

Project: E-Services 2008-10

All costs to be shown in whole (unrounded) dollars.

	FY 2008/09		FY 2009/10		FY 2010/11		FY 2011/12		FY 2012/13		FY 2013/14		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
EXISTING SYSTEM														
Total IT Costs	27.5	3,605,105	27.5	3,605,105	27.5	3,605,105	27.5	3,605,105	27.5	3,605,105	27.5	3,605,105	165.0	21,630,630
Total Program Costs	792.2	49,734,373	764.2	48,130,808	748.8	47,247,327	745.5	47,058,621	741.9	46,851,143	739.1	46,696,008	4531.7	285,718,280
Total Existing System Costs	819.7	53,339,478	791.7	51,735,913	776.3	50,852,432	773.0	50,663,726	769.4	50,456,248	766.6	50,301,113	4696.7	307,348,910

PROPOSED ALTERNATIVE	**Software Product Method**													
Total Project Costs	9.6	5,842,876	20.4	5,646,249	23.5	2,879,577	14.7	1,820,864	14.7	1,820,864	14.7	1,820,864	97.7	19,831,294
Total Cont. Exist. Costs	819.7	53,339,478	791.7	51,735,913	776.3	50,852,432	773.0	50,663,726	769.4	50,456,248	766.6	50,301,113	4696.7	307,348,910
Total Alternative Costs	829.3	59,182,354	812.1	57,382,162	799.8	53,732,009	787.7	52,484,590	784.1	52,277,112	781.3	52,121,977	4794.4	327,180,204
COST SAVINGS/AVOIDANCES	(9.6)	(5,842,876)	(20.4)	(5,646,249)	(23.5)	(2,879,577)	(14.7)	(1,820,864)	(14.7)	(1,820,864)	(14.7)	(1,820,864)	(97.7)	(19,831,294)
Increased Revenues		0		324,160		1,695,440		3,261,780		3,261,780		3,261,780		11,804,940
Net (Cost) or Benefit	(9.6)	(5,842,876)	(20.4)	(5,322,089)	(23.5)	(1,184,137)	(14.7)	1,440,916	(14.7)	1,440,916	(14.7)	1,440,916	(97.7)	(8,026,354)
Cum. Net (Cost) or Benefit	(9.6)	(5,842,876)	(30.0)	(11,164,965)	(53.5)	(12,349,102)	(68.3)	(10,908,186)	(83.0)	(9,467,270)	(97.7)	(8,026,354)		

6.4 PROJECT FUNDING PLAN

Department: Board of Equalization

All Costs to be in whole (unrounded) dollars

Date Prepared: 4/10/09

Project: E-Services 2008-10

	FY 2008/09		FY 2009/10		FY 2010/11		FY 2011/12		FY 2012/13		FY 2013/14		TOTALS	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
TOTAL PROJECT COSTS	**9.6**	**5,842,876**	**20.4**	**5,646,249**	**23.5**	**2,879,577**	**14.7**	**1,820,864**	**14.7**	**1,820,864**	**14.7**	**1,820,864**	**97.7**	**19,831,294**
RESOURCES TO BE REDIRECTED														
Staff	6.8	679,644	12.8	1,279,063	8.8	879,493	0.0	0	0.0	0	0.0	0	**28.4**	**2,838,200**
Funds:														
Existing System		0		0		0		0		0		0		**0**
Other Fund Sources		0		0		0		0		0		0		**0**
TOTAL REDIRECTED RESOURCES	**6.8**	**679,644**	**12.8**	**1,279,063**	**8.8**	**879,493**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**28.4**	**2,838,200**
ADDITIONAL PROJECT FUNDING NEEDED														
One-Time Project Costs	0.0	4,688,040	0.0	3,212,290	0.0	99,320	0.0	0	0.0	0	0.0	0	**0.0**	**7,999,650**
Continuing Project Costs	2.8	475,192	7.6	1,154,896	14.7	1,900,764	14.7	1,820,864	14.7	1,820,864	14.7	1,820,864	**69.3**	**8,993,444**
TOTAL ADDITIONAL PROJECT FUNDS NEEDED BY FISCAL YEAR	**2.8**	**5,163,232**	**7.6**	**4,367,186**	**14.7**	**2,000,084**	**14.7**	**1,820,864**	**14.7**	**1,820,864**	**14.7**	**1,820,864**	**69.3**	**16,993,094**
TOTAL PROJECT FUNDING	**9.6**	**5,842,876**	**20.4**	**5,646,249**	**23.5**	**2,879,577**	**14.7**	**1,820,864**	**14.7**	**1,820,864**	**14.7**	**1,820,864**	**97.7**	**19,831,294**
Difference: Funding - Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	**0.0**	**0**

Total Estimated Cost Savings			**0.5**	**28,121**	**22.8**	**1,308,126**	**45.3**	**2,591,388**	**48.4**	**2,771,155**	**51.5**	**2,951,023**	**168.5**	9,649,813

ADJUSTMENTS, SAVINGS AND REVENUES WORKSHEET
(DOF Use Only)

Department: Board of Equalization

Project: E-Services 2008-10

Date Prepared: 4/10/09

Annual Project Adjustments	FY 2008/09 PYs	FY 2008/09 Amts	FY 2009/10 PYs	FY 2009/10 Amts	FY 2010/11 PYs	FY 2010/11 Amts	FY 2011/12 PYs	FY 2011/12 Amts	FY 2012/13 PYs	FY 2012/13 Amts	FY 2013/14 PYs	FY 2013/14 Amts	Net Adjustments PYs	Net Adjustments Amts
One-time Costs														
Previous Year's Baseline	0.0	0	0.0	4,688,040	0.0	3,212,290	0.0	99,320	0.0	0	0.0	0		
(A) Annual Augmentation /(Reduction)	**0.0**	**4,688,040**	**0.0**	**(1,475,750)**	**0.0**	**(3,112,970)**	**0.0**	**(99,320)**	**0.0**	**0**	**0.0**	**0**		
(B) Total One-Time Budget Actions	0.0	4,688,040	0.0	3,212,290	0.0	99,320	0.0	0	0.0	0	0.0	0	**0.0**	**7,999,650**
Continuing Costs														
Previous Year's Baseline	0.0	0	2.8	475,192	7.6	1,154,896	14.7	1,900,764	14.7	1,820,864	14.7	1,820,864		
(C) Annual Augmentation /(Reduction)	**2.8**	**475,192**	**4.8**	**679,704**	**7.1**	**745,868**	**0.0**	**(79,900)**	**0.0**	**0**	**0.0**	**0**		
(D) Total Continuing Budget Actions	2.8	475,192	7.6	1,154,896	14.7	1,900,764	14.7	1,820,864	14.7	1,820,864	14.7	1,820,864	**69.3**	**8,993,444**
Total Annual Project Budget Augmentation /(Reduction) [A + C]	**2.8**	**5,163,232**	**4.8**	**(796,046)**	**7.1**	**(2,367,102)**	**0.0**	**(179,220)**	**0.0**	**0**	**0.0**	**0**		

[A, C] Excludes Redirected Resources

Total Additional Project Funds Needed [B + D]	**69.3**	**16,993,094**

Annual Savings/Revenue Adjustments

Cost Savings	0.0	0	0.5	28,121	22.3	1,280,005	22.5	1,283,262	3.1	179,767	3.1	179,868		
Increased Program Revenues		0		324,160		1,695,440		3,261,780		3,261,780		3,261,780		

6.6 Projected Cost Savings

Project Phases/Elements	Estimated Cost Savings by Year						
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Return Processing Savings		$ 28,121	$ 127,856	$ 162,281	$ 186,913	$ 211,646	$ 716,817
E-Registration			$ 1,048,504	$ 1,892,949	$ 2,048,084	$ 2,203,219	$ 7,192,756
Cigarette Reconciliation Automation			$ 4,547	$ 27,284	$ 27,284	$ 27,284	$ 86,399
Other E-Services a/			$ 127,219	$ 508,874	$ 508,874	$ 508,874	$ 1,653,841
Total	$ -	$ 28,121	$ 1,308,126	$ 2,591,388	$ 2,771,155	$ 2,951,023	$ 9,649,813

a/ Includes Declaration of Timely Mailing, Requests for Extension, Requests for Relief of Penalty, Request for Relief of Interest.

Project Revenue Increases

	Projected Revenue Increase by Year						
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Sales Tax Gas Schedule Reconciliation Recovery		$ 324,160	$ 1,296,640	$ 1,296,640	$ 1,296,640	$ 1,296,640	$ 5,510,720
Cigarette Audit			$ 291,885	$ 1,751,310	$ 1,751,310	$ 1,751,310	$ 5,545,815
Installment Payment Agreements			$ 106,915	$ 213,830	$ 213,830	$ 213,830	$ 748,405
Total	$ -	$ 324,160	$ 1,695,440	$ 3,261,780	$ 3,261,780	$ 3,261,780	$ 11,804,940
Total Direct Benefits	$ -	$ 352,281	$ 3,003,566	$ 5,853,168	$ 6,032,935	$ 6,212,803	$ 21,454,753

Revenue Increase from Redirected Savings

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Estimated Savings Available for Redirect	$ -	$ 28,121	$ 1,308,126	$ 2,591,388	$ 2,771,155	$ 2,951,023	$ 9,649,813
Cost per Revenue Position a/		$ 57,250	$ 57,250	$ 57,250	$ 57,250	$ 57,250	
Number of Revenue Positions Created		0.5	22.8	45.3	48.4	51.5	168.5
Estimated Recover per Revenue Position		$ 231,000	$ 231,000	$ 231,000	$ 231,000	$ 231,000	
Total, Redirected savings to Revenue	$ -	$ 115,500	$ 5,266,800	$ 10,464,300	$ 11,180,400	$ 11,896,500	$ 38,923,500

a/ Average Salary & Wages, including benefits, of a Business Tax Representative & Tax Auditor positions. Does not include OE&E for the revenue positions, as it assumes it will be redirected, nor any supervision or other support.

Revised Revenue if Savings are Redirected

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Total Direct Benefits	$ -	$ 352,281	$ 3,003,566	$ 5,853,168	$ 6,032,935	$ 6,212,803	$ 21,454,753
Less Redirected Savings to Revenue Positions	$ -	$ (28,121)	$ (1,308,126)	$ (2,591,388)	$ (2,771,155)	$ (2,951,023)	$ (9,649,813)
Additional Revenue Recovered	$ -	$ 115,500	$ 5,266,800	$ 10,464,300	$ 11,180,400	$ 11,896,500	$ 38,923,500
Total	$ -	$ 439,660	$ 6,962,240	$ 13,726,080	$ 14,442,180	$ 15,158,280	$ 50,728,440

Project Costs and Funding

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Proposed Project One-time Costs	$ 5,367,684	$ 4,491,353	$ 978,813				$ 10,837,850
Proposed Project On-Going Costs	$ 475,192	$ 1,154,896	$ 1,900,764	$ 1,820,864	$ 1,820,864	$ 1,820,864	$ 8,993,444
Internally Redirected Costs	$ (679,644)	$ (1,279,063)	$ (879,493)				$ (2,838,200)
Funded Costs	$ 5,163,232	$ 4,367,186	$ 2,000,084	$ 1,820,864	$ 1,820,864	$ 1,820,864	$ 16,993,094

Cost to Benefit Ratio	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Option # 1 no Redirection of Savings to Revenue Positions							
Benefits	$ -	$ 352,281	$ 3,003,566	$ 5,853,168	$ 6,032,935	$ 6,212,803	$ 21,454,753
Project Cost to Benefit Ratio							1.3
On-Going Cost to Benefit Ratio						3.4	
Option # 2 Redirection of Savings to Revenue Positions							
Benefits	$ -	$ 439,660	$ 6,962,240	$ 13,726,080	$ 14,442,180	$ 15,158,280	$ 50,728,440
Project Cost to Benefit Ratio							3.0
On-Going Cost to Benefit Ratio						8.3	

7.0 Original Economic Analysis Worksheets (EAWs)

7.1 Original Existing System Cost Worksheet

7.2 Original Proposed Alternative Worksheet

7.3 Original Alternative System Worksheet

7.3.1 Original Alternative # 1 System Worksheet

7.3.2 Original Alternative # 2 System Worksheet

7.4 Original Economic Analysis Summary

7.5 Original Project Funding Plan

7.6 Original Project Cost Savings

7.1 EXISTING SYSTEM/BASELINE COST WORKSHEET

All costs to be shown in whole (unrounded) dollars.

Department: Board of Equalization

Project: E-Services 2008-10

Date Prepared: 11/07/07

	FY 2008/09		FY 2009/10		FY 2010/11		FY 2011/12		FY 2012/13		FY 2013/14		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
Continuing Information Technology Costs														
Staff (salaries & benefits) a/	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	**165.0**	**16,079,112**
Hardware Lease/Maintenance		165,000		165,000		165,000		165,000		165,000		165,000		**990,000**
Software Maintenance/Licenses														**0**
Contract Services														**0**
Data Center Services		400,000		400,000		400,000		400,000		400,000		400,000		**2,400,000**
Agency Facilities														**0**
Other		360,253		360,253		360,253		360,253		360,253		360,253		**2,161,518**
Total IT Costs	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**165.0**	**21,630,630**
Continuing Program Costs:														
Staff b/	792.2	41,488,660	792.2	41,488,660	792.2	41,488,660	792.2	41,488,660	792.2	41,488,660	792.2	41,488,660	**4753.2**	**248,931,960**
Other		8,245,713		8,245,713		8,245,713		8,245,713		8,245,713		8,245,713		**49,474,278**
Total Program Costs c/	**792.2**	**49,734,373**	**792.2**	**49,734,373**	**792.2**	**49,734,373**	**792.2**	**49,734,373**	**792.2**	**49,734,373**	**792.2**	**49,734,373**	**4753.2**	**298,406,238**
TOTAL EXISTING SYSTEM COSTS	**819.7**	**53,339,478**	**819.7**	**53,339,478**	**819.7**	**53,339,478**	**819.7**	**53,339,478**	**819.7**	**53,339,478**	**819.7**	**53,339,478**	**4918.2**	**320,036,868**

a/ Includes existing technology staff for E-filing and ACMS.

b/ Includes all registration staff, 10% of collection staff, and return support functions for E-filing infrastructure.

7.2 PROPOSED ALTERNATIVE: **Software Product Method**

Date Prepared: 11/07/07

Department: Board of Equalization
Project: E-Services 2008-10

All Costs Should be shown in whole (unrounded) dollars.

	FY 2008/09		FY 2009/10		FY 2010/11		FY 2011/12		FY 2012/13		FY 2013/14		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs														
Staff (Salaries & Benefits)	14.9	1,405,341	11.6	1,097,030	0.2	17,089	0.0	0	0.0	0	0.0	0	26.7	2,519,460
Hardware Purchase		5,000		0		0		0		0		0		5,000
Software Purchase/License		459,900		0		0		0		0		0		459,900
Telecommunications								0		0		0		0
Contract Services														
Software Customization		3,096,720		2,591,370		0		0		0		0		5,688,090
Project Management		393,120		393,120		65,520		0		0		0		851,760
Project Oversight		93,600		93,600		15,600		0		0		0		202,800
IV&V Services		109,200		109,200		18,200		0		0		0		236,600
Other Contract Services		0		0		0		0		0		0		0
TOTAL Contract Services		3,692,640		3,187,290		99,320		0		0		0		6,979,250
Data Center Services		27,500		25,000		0		0		0		0		52,500
Agency Facilities								0		0		0		0
Other		84,259		65,153		1,107		0		0		0		150,519
Total One-time IT Costs	**14.9**	**5,674,640**	**11.6**	**4,374,473**	**0.2**	**117,516**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**26.7**	**10,166,629**
Continuing IT Project Costs														
Staff (Salaries & Benefits) a/	2.8	288,954	7.6	746,710	14.7	1,406,332	14.7	1,406,332	14.7	1,406,332	14.7	1,406,332	69.3	6,660,992
Hardware Lease/Maintenance		100,000		100,000		100,000		100,000		100,000		100,000		600,000
Software Maintenance/Licenses				67,600		69,000		64,000		64,000		64,000		328,600
Telecommunications														0
Contract Services		0		0		0		0		0		0		0
Data Center Services		58,500		162,000		162,000		162,000		162,000		162,000		868,500
Agency Facilities														0
Other		37,200		94,300		168,600		93,700		93,700		93,700		581,200
Total Continuing IT Costs	**2.8**	**484,654**	**7.6**	**1,170,610**	**14.7**	**1,905,932**	**14.7**	**1,826,032**	**14.7**	**1,826,032**	**14.7**	**1,826,032**	**69.3**	**9,039,292**
Total Project Costs	**17.7**	**6,159,294**	**19.2**	**5,545,083**	**14.9**	**2,023,448**	**14.7**	**1,826,032**	**14.7**	**1,826,032**	**14.7**	**1,826,032**	**96.0**	**19,205,921**
Continuing Existing Costs														
Information Technology Staff	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	165.0	16,079,112
Other IT Costs		925,253		925,253		925,253		925,253		925,253		925,253		5,551,518
Total Continuing Existing IT Costs	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**165.0**	**21,630,630**
Program Staff	791.1	41,435,886	762.1	40,058,563	746.6	39,322,940	743.4	39,172,030	740.3	39,170,517	737.6	38,892,355	4521.1	238,052,291
Other Program Costs		8,234,904		7,952,802		7,802,132		7,771,222		7,770,913		7,713,940		47,245,913
Total Continuing Existing Program Costs	**791.1**	**49,670,790**	**762.1**	**48,011,365**	**746.6**	**47,125,072**	**743.4**	**46,943,252**	**740.3**	**46,941,430**	**737.6**	**46,606,295**	**4521.1**	**285,298,204**
Total Continuing Existing Costs	**818.6**	**53,275,895**	**789.6**	**51,616,470**	**774.1**	**50,730,177**	**770.9**	**50,548,357**	**767.8**	**50,546,535**	**765.1**	**50,211,400**	**4686.1**	**306,928,834**
TOTAL ALTERNATIVE COSTS	**836.3**	**59,435,189**	**808.8**	**57,161,553**	**789.0**	**52,753,625**	**785.6**	**52,374,389**	**782.5**	**52,372,567**	**779.8**	**52,037,432**	**4782.1**	**326,134,755**
INCREASED REVENUES				1,296,640		3,261,780		3,261,780		3,261,780		3,261,780		**14,343,760**

a/ Includes 12.5 TSD Positions and 3.0 SUTD positions.

7.3.1 ALTERNATIVE #1 Database Driven Method

Date Prepared: 11/07/07

Department: Board of Equalization
Project: E-Services 2008-10

All Costs Should be shown in whole (unrounded) dollars.

	FY 2008/09		FY 2009/10		FY 2010/11		FY 2011/12		FY 2012/13		FY 2013/14		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs														
Staff (Salaries & Benefits)	14.9	1,405,341	11.6	1,097,030	0.2	17,089	0.0	0	0.0	0	0.0	0	26.7	2,519,460
Hardware Purchase		5,000		0		0		0		0		0		5,000
Software Purchase/License		50,000		0		0		0		0		0		50,000
Telecommunications								0		0		0		0
Contract Services														
Software Customization		3,096,720		2,591,370		0		0		0		0		5,688,090
Project Management		393,120		393,120		65,520		0		0		0		851,760
Project Oversight		93,600		93,600		15,600		0		0		0		202,800
IV&V Services		109,200		109,200		18,200		0		0		0		236,600
Other Contract Services		0		0		0		0		0		0		0
TOTAL Contract Services		3,692,640		3,187,290		99,320		0		0		0		6,979,250
Data Center Services		27,500		25,000		0		0		0		0		52,500
Agency Facilities								0		0		0		0
Other		84,259		65,153		1,107		0		0		0		150,519
Total One-time IT Costs	**14.9**	**5,264,740**	**11.6**	**4,374,473**	**0.2**	**117,516**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**26.7**	**9,756,729**
Continuing IT Project Costs														
Staff (Salaries & Benefits)	2.9	288,954	11.4	1,112,887	19.5	1,856,016	19.5	1,856,016	19.5	1,856,016	19.5	1,856,016	92.3	8,825,905
Hardware Lease/Maintenance		100,000		100,000		100,000		100,000		100,000		100,000		600,000
Software Maintenance/Licenses								0		0		0		0
Telecommunications														0
Contract Services		0		0		0		0		0		0		0
Data Center Services		58,800		117,600		117,600		117,600		117,600		117,600		646,800
Agency Facilities														0
Other		37,200		170,200		212,100		123,000		123,000		123,000		788,500
Total Continuing IT Costs	**2.9**	**484,954**	**11.4**	**1,500,687**	**19.5**	**2,285,716**	**19.5**	**2,196,616**	**19.5**	**2,196,616**	**19.5**	**2,196,616**	**92.3**	**10,861,205**
Total Project Costs	**17.8**	**5,749,694**	**23.0**	**5,875,160**	**19.7**	**2,403,232**	**19.5**	**2,196,616**	**19.5**	**2,196,616**	**19.5**	**2,196,616**	**119.0**	**20,617,934**
Continuing Existing Costs														
Information Technology Staff	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	165.0	16,079,112
Other IT Costs		925,253		925,253		925,253		925,253		925,253		925,253		5,551,518
Total Continuing Existing IT Costs	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**165.0**	**21,630,630**
Program Staff	791.1	41,435,886	762.1	40,058,563	746.6	39,322,940	743.4	39,172,030	740.3	39,170,517	737.6	38,892,355	4521.1	238,052,291
Other Program Costs		8,234,904		7,952,802		7,802,132		7,771,222		7,770,913		7,713,940		47,245,913
Total Continuing Existing Program Costs	**791.1**	**49,670,790**	**762.1**	**48,011,365**	**746.6**	**47,125,072**	**743.4**	**46,943,252**	**740.3**	**46,941,430**	**737.6**	**46,606,295**	**4521.1**	**285,298,204**
Total Continuing Existing Costs	**818.6**	**53,275,895**	**789.6**	**51,616,470**	**774.1**	**50,730,177**	**770.9**	**50,548,357**	**767.8**	**50,546,535**	**765.1**	**50,211,400**	**4686.1**	**306,928,834**
TOTAL ALTERNATIVE COSTS	**836.4**	**59,025,589**	**812.6**	**57,491,630**	**793.8**	**53,133,409**	**790.4**	**52,744,973**	**787.3**	**52,743,151**	**784.6**	**52,408,016**	**4805.1**	**327,546,768**
INCREASED REVENUES				1,296,640		3,261,780		3,261,780		3,261,780		3,261,780		**14,343,760**

7.3.2 ALTERNATIVE #2: Current Development Method

Date Prepared: 11/07/07

Department: Board of Equalization
Project: E-Services 2008-10

All Costs Should be shown in whole (unrounded) dollars.

	FY 2008/09		FY 2009/10		FY 2010/11		FY 2011/12		FY 2012/13		FY 2013/14		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs														
Staff (Salaries & Benefits)	14.9	1,405,341	11.8	1,107,593	0.2	17,089	0.0	0	0.0	0	0.0	0	26.8	2,530,023
Hardware Purchase		5,000		0		0		0		0		0		5,000
Software Purchase/License		50,000		0		0		0		0		0		50,000
Telecommunications								0		0		0		0
Contract Services														
Software Customization		3,096,720		2,623,860		0		0		0		0		5,720,580
Project Management		393,120		393,120		65,520		0		0		0		851,760
Project Oversight		93,600		93,600		15,600		0		0		0		202,800
IV&V Services		109,200		109,200		18,200		0		0		0		236,600
Other Contract Services		0		0		0		0		0		0		0
TOTAL Contract Services		3,692,640		3,219,780		99,320		0		0		0		7,011,740
Data Center Services		27,500		25,000		0		0		0		0		52,500
Agency Facilities								0		0		0		0
Other		84,259		63,153		1,107		0		0		0		148,519
Total One-time IT Costs	**14.9**	**5,264,740**	**11.8**	**4,415,526**	**0.2**	**117,516**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**26.8**	**9,797,782**
Continuing IT Project Costs														
Staff (Salaries & Benefits)	2.8	288,954	11.4	1,112,887	18.5	1,764,437	18.5	1,764,437	18.5	1,764,437	18.5	1,764,437	88.2	8,459,589
Hardware Lease/Maintenance		100,000		100,000		100,000		100,000		100,000		100,000		600,000
Software Maintenance/Licenses								0		0		0		0
Telecommunications														0
Contract Services		0		0		0		0		0		0		0
Data Center Services		58,800		117,600		117,600		117,600		117,600		117,600		646,800
Agency Facilities														0
Other		37,200		161,700		197,000		117,100		117,100		117,100		747,200
Total Continuing IT Costs	**2.8**	**484,954**	**11.4**	**1,492,187**	**18.5**	**2,179,037**	**18.5**	**2,099,137**	**18.5**	**2,099,137**	**18.5**	**2,099,137**	**88.2**	**10,453,589**
Total Project Costs	**17.7**	**5,749,694**	**23.2**	**5,907,713**	**18.7**	**2,296,553**	**18.5**	**2,099,137**	**18.5**	**2,099,137**	**18.5**	**2,099,137**	**115.0**	**20,251,371**
Continuing Existing Costs														
Information Technology Staff	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	27.5	2,679,852	165.0	16,079,112
Other IT Costs		925,253		925,253		925,253		925,253		925,253		925,253		5,551,518
Total Continuing Existing IT Costs	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**27.5**	**3,605,105**	**165.0**	**21,630,630**
Program Staff	791.1	41,435,886	762.1	40,058,563	746.6	39,322,940	743.4	39,172,030	740.3	39,170,517	737.6	38,892,355	4521.1	238,052,291
Other Program Costs		8,234,904		7,952,802		7,802,132		7,771,222		7,770,913		7,713,940		47,245,913
Total Continuing Existing Program Costs	**791.1**	**49,670,790**	**762.1**	**48,011,365**	**746.6**	**47,125,072**	**743.4**	**46,943,252**	**740.3**	**46,941,430**	**737.6**	**46,606,295**	**4521.1**	**285,298,204**
Total Continuing Existing Costs	**818.6**	**53,275,895**	**789.6**	**51,616,470**	**774.1**	**50,730,177**	**770.9**	**50,548,357**	**767.8**	**50,546,535**	**765.1**	**50,211,400**	**4686.1**	**306,928,834**
TOTAL ALTERNATIVE COSTS	**836.3**	**59,025,589**	**812.8**	**57,524,183**	**792.8**	**53,026,730**	**789.4**	**52,647,494**	**786.3**	**52,645,672**	**783.6**	**52,310,537**	**4801.1**	**327,180,205**
INCREASED REVENUES				1,296,640		3,261,780		3,261,780		3,261,780		3,261,780		**14,343,760**

7.4 ECONOMIC ANALYSIS SUMMARY

Date Prepared: 11/07/07

Department: Board of Equalization

Project: E-Services 2008-10

All costs to be shown in whole (unrounded) dollars.

	FY 2008/09		FY 2009/10		FY 2010/11		FY 2011/12		FY 2012/13		FY 2013/14		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
EXISTING SYSTEM														
Total IT Costs	27.5	3,605,105	27.5	3,605,105	27.5	3,605,105	27.5	3,605,105	27.5	3,605,105	27.5	3,605,105	165.0	21,630,630
Total Program Costs	792.2	49,734,373	792.2	49,734,373	792.2	49,734,373	792.2	49,734,373	792.2	49,734,373	792.2	49,734,373	4753.2	298,406,238
Total Existing System Costs	819.7	53,339,478	819.7	53,339,478	819.7	53,339,478	819.7	53,339,478	819.7	53,339,478	819.7	53,339,478	4918.2	320,036,868
PROPOSED ALTERNATIVE	**Software Product Method**													
Total Project Costs	17.7	6,159,294	19.2	5,545,083	14.9	2,023,448	14.7	1,826,032	14.7	1,826,032	14.7	1,826,032	96.0	19,205,921
Total Cont. Exist. Costs	818.6	53,275,895	789.6	51,616,470	774.1	50,730,177	770.9	50,548,357	767.8	50,546,535	765.1	50,211,400	4686.1	306,928,834
Total Alternative Costs	836.3	59,435,189	808.8	57,161,553	789.0	52,753,625	785.6	52,374,389	782.5	52,372,567	779.8	52,037,432	4782.1	326,134,755
COST SAVINGS/AVOIDANCES	(16.6)	(6,095,711)	10.9	(3,822,075)	30.7	585,853	34.1	965,089	37.2	966,911	39.9	1,302,046	136.1	(6,097,887)
Increased Revenues		0		1,296,640		3,261,780		3,261,780		3,261,780		3,261,780		14,343,760
Net (Cost) or Benefit	(16.6)	(6,095,711)	10.9	(2,525,435)	30.7	3,847,633	34.1	4,226,869	37.2	4,228,691	39.9	4,563,826	136.1	8,245,873
Cum. Net (Cost) or Benefit	(16.6)	(6,095,711)	(5.7)	(8,621,146)	25.0	(4,773,513)	59.1	(546,644)	96.2	3,682,047	136.1	8,245,873		
ALTERNATIVE #1	**Database Driven Method**													
Total Project Costs	17.8	5,749,694	23.0	5,875,160	19.7	2,403,232	19.5	2,196,616	19.5	2,196,616	19.5	2,196,616	119.0	20,617,934
Total Cont. Exist. Costs	818.6	53,275,895	789.6	51,616,470	774.1	50,730,177	770.9	50,548,357	767.8	50,546,535	765.1	50,211,400	4686.1	306,928,834
Total Alternative Costs	836.4	59,025,589	812.6	57,491,630	793.8	53,133,409	790.4	52,744,973	787.3	52,743,151	784.6	52,408,016	4805.1	327,546,768
COST SAVINGS/AVOIDANCES	(16.7)	(5,686,111)	7.1	(4,152,152)	25.9	206,069	29.3	594,505	32.4	596,327	35.1	931,462	113.1	(7,509,900)
Increased Revenues		0		1,296,640		3,261,780		3,261,780		3,261,780		3,261,780		14,343,760
Net (Cost) or Benefit	(16.7)	(5,686,111)	7.1	(2,855,512)	25.9	3,467,849	29.3	3,856,285	32.4	3,858,107	35.1	4,193,242	113.1	6,833,860
Cum. Net (Cost) or Benefit	(16.7)	(5,686,111)	(9.6)	(8,541,623)	16.3	(5,073,774)	45.6	(1,217,489)	78.0	2,640,618	113.1	6,833,860		
ALTERNATIVE #2	**Current Development Method**													
Total Project Costs	17.7	5,749,694	23.2	5,907,713	18.7	2,296,553	18.5	2,099,137	18.5	2,099,137	18.5	2,099,137	115.0	20,251,371
Total Cont. Exist. Costs	818.6	53,275,895	789.6	51,616,470	774.1	50,730,177	770.9	50,548,357	767.8	50,546,535	765.1	50,211,400	4686.1	306,928,834
Total Alternative Costs	836.3	59,025,589	812.8	57,524,183	792.8	53,026,730	789.4	52,647,494	786.3	52,645,672	783.6	52,310,537	4801.1	327,180,205
COST SAVINGS/AVOIDANCES	(16.6)	(5,686,111)	7.0	(4,184,705)	26.9	312,748	30.3	691,984	33.4	693,806	36.1	1,028,941	117.1	(7,143,337)
Increased Revenues		0		1,296,640		3,261,780		3,261,780		3,261,780		3,261,780		14,343,760
Net (Cost) or Benefit	(16.6)	(5,686,111)	7.0	(2,888,065)	26.9	3,574,528	30.3	3,953,764	33.4	3,955,586	36.1	4,290,721	117.1	7,200,423
Cum. Net (Cost) or Benefit	(16.6)	(5,686,111)	(9.6)	(8,574,176)	17.3	(4,999,648)	47.6	(1,045,884)	81.0	2,909,702	117.1	7,200,423		

7.5 PROJECT FUNDING PLAN

Department: Board of Equalization

All Costs to be in whole (unrounded) dollars

Date Prepared: 11/07/07

Project: E-Services 2008-10

	FY 2008/09		FY 2009/10		FY 2010/11		FY 2011/12		FY 2012/13		FY 2013/14		TOTALS	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
TOTAL PROJECT COSTS	**17.7**	**6,159,294**	**19.2**	**5,545,083**	**14.9**	**2,023,448**	**14.7**	**1,826,032**	**14.7**	**1,826,032**	**14.7**	**1,826,032**	**96.0**	**19,205,921**
RESOURCES TO BE REDIRECTED														
Staff	14.9	1,489,600	11.6	1,162,183	0.2	18,196	0.0	0	0.0	0	0.0	0	**26.7**	**2,669,979**
Funds:														
Existing System		0		0		0		0		0		0		**0**
Other Fund Sources		0		0		0		0		0		0		**0**
TOTAL REDIRECTED RESOURCES	**14.9**	**1,489,600**	**11.6**	**1,162,183**	**0.2**	**18,196**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**26.7**	**2,669,979**
ADDITIONAL PROJECT FUNDING NEEDED														
One-Time Project Costs	0.0	4,185,040	0.0	3,212,290	0.0	99,320	0.0	0	0.0	0	0.0	0	**0.0**	**7,496,650**
Continuing Project Costs	2.8	484,654	7.6	1,170,610	14.7	1,905,932	14.7	1,826,032	14.7	1,826,032.0	14.7	1,826,032.0	**69.3**	**9,039,292**
TOTAL ADDITIONAL PROJECT FUNDS NEEDED BY FISCAL YEAR	**2.8**	**4,669,694**	**7.6**	**4,382,900**	**14.7**	**2,005,252**	**14.7**	**1,826,032**	**14.7**	**1,826,032**	14.7	1,826,032	**69.3**	**16,535,942**
TOTAL PROJECT FUNDING	**17.7**	**6,159,294**	**19.2**	**5,545,083**	**14.9**	**2,023,448**	**14.7**	**1,826,032**	**14.7**	**1,826,032**	**14.7**	**1,826,032**	**96.0**	**19,205,921**
Difference: Funding - Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	**0.0**	**0**

Total Estimated Cost Savings	**1.1**	**63,583**	**30.1**	**1,723,008**	**45.6**	**2,609,301**	**48.8**	**2,791,121**	**51.9**	**2,972,943**	**54.6**	**3,128,078**	**232.1**	13,288,034

ADJUSTMENTS, SAVINGS AND REVENUES WORKSHEET
(DOF Use Only)

Department: Board of Equalization

Project: E-Services 2008-10

Date Prepared: 11/07/07

Annual Project Adjustments	FY 2008/09 PYs	FY 2008/09 Amts	FY 2009/10 PYs	FY 2009/10 Amts	FY 2010/11 PYs	FY 2010/11 Amts	FY 2011/12 PYs	FY 2011/12 Amts	FY 2012/13 PYs	FY 2012/13 Amts	FY 2013/14 PYs	FY 2013/14 Amts	Net Adjustments PYs	Net Adjustments Amts
One-time Costs														
Previous Year's Baseline	0.0	0	0.0	4,185,040	0.0	3,212,290	0.0	99,320	0.0	0	0.0	0		
(A) Annual Augmentation /(Reduction)	**0.0**	**4,185,040**	**0.0**	**(972,750)**	**0.0**	**(3,112,970)**	**0.0**	**(99,320)**	**0.0**	**0**	**0.0**	**0**		
(B) Total One-Time Budget Actions	0.0	4,185,040	0.0	3,212,290	0.0	99,320	0.0	0	0.0	0	0.0	0	**0.0**	**7,496,650**
Continuing Costs														
Previous Year's Baseline	0.0	0	2.8	484,654	7.6	1,170,610	14.7	1,905,932	14.7	1,826,032	14.7	1,826,032		
(C) Annual Augmentation /(Reduction)	**2.8**	**484,654**	**4.8**	**685,956**	**7.1**	**735,322**	**0.0**	**(79,900)**	**0.0**	**0**	**0.0**	**0**		
(D) Total Continuing Budget Actions	2.8	484,654	7.6	1,170,610	14.7	1,905,932	14.7	1,826,032	14.7	1,826,032	14.7	1,826,032	**69.3**	**9,039,292**
Total Annual Project Budget Augmentation /(Reduction) [A + C]	**2.8**	**4,669,694**	**4.8**	**(286,794)**	**7.1**	**(2,377,648)**	**0.0**	**(179,220)**	**0.0**	**0**	**0.0**	**0**		

[A, C] Excludes Redirected Resources

Total Additional Project Funds Needed [B + D]	**69.3**	**16,535,942**

Annual Savings/Revenue Adjustments

Cost Savings	1.1	63,583	29.0	1,659,425	15.5	886,293	3.2	181,820	3.1	181,822	2.7	155,135		
Increased Program Revenues		0		1,296,640		3,261,780		3,261,780		3,261,780		3,261,780		

7.6 Projected Cost Savings

Project Phases/Elements	Estimated Cost Savings by Year						
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Return Processing Savings	$ 63,583	$ 150,252	$ 180,194	$ 206,880	$ 233,566	$ 233,566	$ 1,068,041
E-Registration		$ 1,572,756	$ 1,892,949	$ 2,048,084	$ 2,203,219	$ 2,358,354	$ 10,075,361
Cigarette Reconciliation Automation			$ 27,284	$ 27,284	$ 27,284	$ 27,284	$ 109,136
Other E-Services a/			$ 508,874	$ 508,874	$ 508,874	$ 508,874	$ 2,035,496
Total	$ 63,583	$ 1,723,008	$ 2,609,301	$ 2,791,122	$ 2,972,943	$ 3,128,078	$ 13,288,034

a/ Includes Declaration of Timely Mailing, Requests for Extension, Requests for Relief of Penalty, Request for Relief of Interest.

Projected Revenue Increases

	Projected Revenue Increase by Year						
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Sales Tax Gas Schedule Reconciliation Recovery		$ 1,296,640	$ 1,296,640	$ 1,296,640	$ 1,296,640	$ 1,296,640	$ 6,483,200
Cigarette Audit			$ 1,751,310	$ 1,751,310	$ 1,751,310	$ 1,751,310	$ 7,005,240
Installment Payment Agreements			$ 213,830	$ 213,830	$ 213,830	$ 213,830	$ 855,320
Total	$ -	$ 1,296,640	$ 3,261,780	$ 3,261,780	$ 3,261,780	$ 3,261,780	$ 14,343,760

Revenue Increase from Redirected Savings

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Estimated Savings Available for Redirect	$ 63,583	$ 1,723,008	$ 2,609,301	$ 2,791,122	$ 2,972,943	$ 3,128,078	$ 13,288,035
Cost per Revenue Position a/	$ 57,250	$ 57,250	$ 57,250	$ 57,250	$ 57,250	$ 57,250	
Number of Revenue Positions Created	1.1	30.1	45.6	48.8	51.9	54.6	
Estimated Recover per Revenue Position	$ 231,000	$ 231,000	$ 231,000	$ 231,000	$ 231,000	$ 231,000	
Total, Redirected savings to Revenue	$ 254,100	$ 6,953,100	$ 10,533,600	$ 11,272,800	$ 11,988,900	$ 12,612,600	$ 53,615,100

a/ Average Salary & Wages, including benefits, of a Business Tax Representative & Tax Auditor positions. Does not include OE&E for the revenue positions, as it assumes it will be redirected, nor any supervision or other support.

Revised Revenue if Savings are Redirected

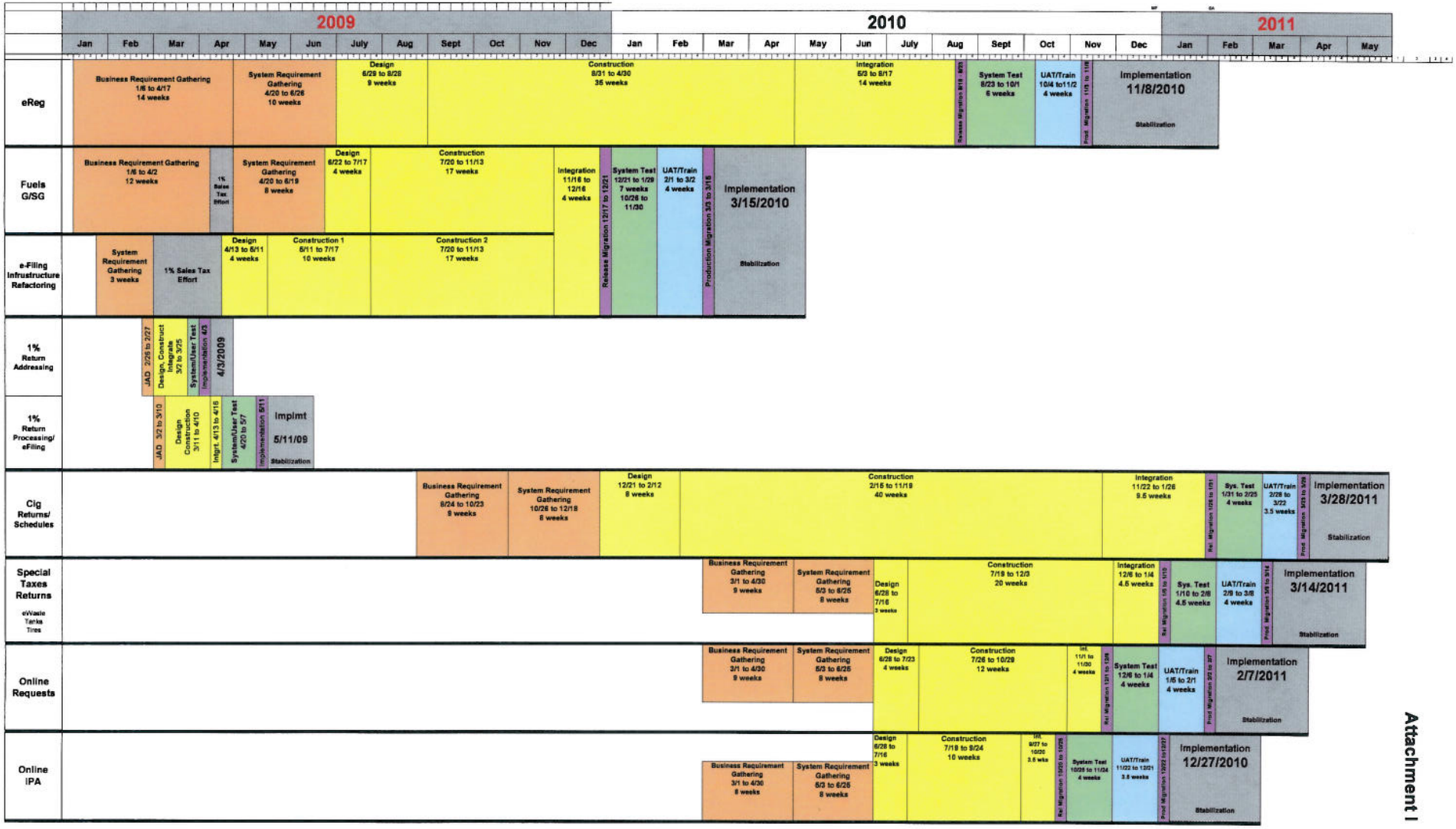
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Total Direct Benefits	$ 63,583	$ 3,019,648	$ 5,871,081	$ 6,052,901	$ 6,234,723	$ 6,389,858	$ 27,631,795
Less Redirected Savings to Revenue Positions	$ (63,583)	$ (1,723,008)	$ (2,609,301)	$ (2,791,122)	$ (2,972,943)	$ (3,128,078)	$ (13,288,035)
Additional Revenue Recovered	$ 254,100	$ 6,953,100	$ 10,533,600	$ 11,272,800	$ 11,988,900	$ 12,612,600	$ 53,615,100
Total	$ 254,100	$ 8,249,740	$ 13,795,380	$ 14,534,580	$ 15,250,680	$ 15,874,380	$ 67,958,860

Project Costs and Funding

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Proposed Project One-time Costs	$ 5,674,640	$ 4,374,473	$ 117,516				$ 10,166,629
Proposed Project On-Going Costs	$ 484,654	$ 1,170,610	$ 1,905,932	$ 1,826,032	$ 1,826,032	$ 1,826,032	$ 9,039,292
Internally Redirected Costs	$ (1,489,600)	$ (1,162,183)	$ (18,196)				$ (2,669,979)
Funded Costs	$ 4,669,694	$ 4,382,900	$ 2,005,252	$ 1,826,032	$ 1,826,032	$ 1,826,032	$ 16,535,942

Cost to Benefit Ratio	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Option # 1 no Redirection of Savings to Revenue Positions							
Benefits	$ 63,583	$ 3,019,648	$ 5,871,081	$ 6,052,901	$ 6,234,723	$ 6,389,858	$ 27,631,795
Project Cost to Benefit Ratio							1.7
On-Going Cost to Benefit Ratio						3.5	
Option # 2 Redirection of Savings to Revenue Positions							
Benefits	$ 254,100	$ 8,249,740	$ 13,795,380	$ 14,534,580	$ 15,250,680	$ 15,874,380	$ 67,958,860
Project Cost to Benefit Ratio							4.1
On-Going Cost to Benefit Ratio						8.7	

E-Services Expansion Project Schedule



Attachment I