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A P P E A R A N C E S

BOARD MEMBERS

BETTY YEE
(Via videoconference)

STATE CONTROLLER
(Chairperson of the Board)

ANTONIO VAZQUEZ
(Via teleconference)

Chairperson
Board of Equalization

GAYLE MILLER
(Via videoconference)

Chief Deputy Director, Policy
Department of Finance

YVETTE STOWERS
(Via videoconference)

State Controller's Office

--oOo--

STAFF

(All staff appeared via videoconference)

SELVI STANISLAUS
Executive Director

JOZEL BRUNETT
Chief Counsel

KATHRYN S. SWANK, CSR  (916) 390-7731
APPARANCES CONTINUED

STAFF CONTINUED

DAWN CASEY
Board Liaison
SHANE HOFELING
Deputy Chief Counsel
JESSICA CLAYTON
THI LUONG
DAN TAHARA
RICK BIAGI
CRAIG SCOTT
PAUL OGDEN
GRETCHE MOE
TIPHANIE WEISS
MICHAEL BANUELOS

---o0o---
SACRAMENTO, CALIFORNIA

THURSDAY, JUNE 4, 2020, 1:30 P.M.

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CHAIRPERSON YEE: Good afternoon, everyone. Thank you for your patience, and we apologize for the delay.

This is the scheduled time for the meeting of the Franchise Tax Board.

And let me ask the Board Liaison to please call the Board to determine if a quorum is present.

MS. CASEY: Member Vazquez.

(No response.)

Member Miller?

MEMBER MILLER: Here.

MS. CASEY: Chair-Controller Betty Yee?

CHAIRPERSON YEE: Here.

Thank you. With at least two members or their designated representatives personally present, there is a quorum, and the Franchise Tax Board is now in session. Let me now at this time ask that you please join me in standing and for the Pledge of Allegiance.

(Pledge of Allegiance was recited in unison.)

CHAIRPERSON YEE: Again, good afternoon, everyone, and welcome to the Franchise Tax Board's first ever virtual board meeting. As you all know, we're aware of the ongoing health concerns surrounding COVID19 and the importance of
continuing to take appropriate measures to protect public health in mitigation of any risk of transmission. In this regard, the Franchise Tax Board continues to follow all appropriate federal, state, and local guidance for public gatherings.

So, as you can tell, today's meeting is a little different than the past FTB board meetings in that I and my fellow board members are attending remotely and Franchise Tax Board staff are following social distancing best practices.

The public has a right to comment on each agenda item. And, if there are any members of the public wishing to speak on an item, you may speak when that item is called, and you will have three minutes to address the board. You will be asked to identify yourself for the record.

Without any further delay, let us move to the first item, members, and that is approval of the minutes. We have before us the minutes of the March 19th, 2020, board meeting.

Is there a member of the public who wishes to speak on this item.

(No response.)

And hearing none, do I have a motion for approval of the minutes?

MEMBER MILLER: So moved, Madam Controller.
CHAIRPERSON YEE: Thank you, Member Miller. I have a motion by Member Miller. I will second that motion. With a motion to second without objection, such will be the board's order.

Item Number 2 is a PowerPoint presentation, and this relates to the FTB Employee Engagement Survey. And we will have a presentation by Jessica Clayton and Thi Luong. It's an informational item, members, so let's receive the presentation.

MS. CLAYTON: Good afternoon, board members. My name is Jessica Clayton, and I am one of the leaders of FTB's Workplace Engagement team. I'm joined by Thi Luong, who serves as the department's organizational development consultant. Both of us work on initiatives that align with FTB's Strategic Goal: Strong Organization. We champion programs and processes that recruit, develop, and retain the right employees.

Thank you for the opportunity to present before you today.

Today we will highlight FTB's successes and areas of improvement surrounding the 2019 employee engagement survey. First, we will take a look back at programs that were established as a result of the 2016 survey. Then, we will share our marketing campaign. Next, we will review the results of the 2019 survey. And, finally, we will discuss
some next steps.

At FTB we know that our employees are the department's greatest asset. We set a goal to survey our employees every three years in order to hear, assess, and act on how employees feel about their work environment.

Back in 2016, we conducted an Employee Engagement Survey and received a 70 percent response rate. Our employees responded with their three most important attributes at the time, which were: The opportunity to develop, I make a difference, and I feel valued. In response to those survey results, we implemented the following programs:

The Analyst Development Program was established to focus on the development of analytic competencies for current FTB analysts and for staff who may be interested in becoming analysts.

The Career Awareness and Resources Event, CARE, was created to provide information and resources on professional and development opportunities available to all FTB employees.

The New Employee Orientation, NEO, was started to create a cohesive and unified onboarding experience. New employees can interact with each other and learn from presentations that are educational, informative, and inspirational. The highlight of the NEO is the community at FTB coming together to welcome new employees. This
welcoming includes the mission and values, Selvi, and the seven division chiefs. It is really an amazing, fun-filled, and educational experience.

In 2016

CHAIRPERSON YEE: Jessica, Jessica, may I stop to interrupt you for a moment. I apologize.

I just wanted to acknowledge that Member Vazquez joined us.

(Audio feedback.)

CHAIRPERSON YEE: Member Vazquez, would you mind just muting your phone so that we could not get the feedback and then we can unmute you when you are speaking.

MEMBER VAZQUEZ: Will do. Thank you.

CHAIRPERSON YEE: Thank you.

I'm sorry, Jessica, please.

MS. CLAYTON: No problem.

In 2016 we thought our 70 percent response rate was great. Nonetheless, in October or 2019 we partnered with CalHR and CPS HR Consulting and surveyed our employees again and received an astounding 77 percent response rate. To put this into perspective, a typical organization our size would have a response rate of 20 to 30 percent.

We attribute our success to collaborative effort with the Creative Services Unit along with the Workplace Engagement Team. With this joint partnership, the team was
able to deliver key initiatives for the market campaign.

Some of those include: A catchy slogan, "Last time we heard you whisper; now we want to hear you roar"; an e-mail from Selvi encouraging staff to take the survey; an invitation to take the survey handed out by our leadership team; and inspirational videos by FTB staff who were impacted by the programs that were implemented after the 2016 survey.

Employee engagement, or how a person feels about the workplace and the level of effort they put into work, is a complex topic.

The survey asked employees six questions to identify their level of engagement, such as: I am proud when I tell others I'm part of my organization; I feel inspired to do my best for my organization; and I feel comfortable being myself at work.

As you can see from the chart above, FTB has an engagement level of 86 percent. This is higher than the private sector, government, and state government benchmarks. Another overall measure of employee engagement is the intent to stay. The survey asked employees about their intent to remain in their current position. And, if they planned to leave, we asked why.

This chart shows that of the 4,550 respondents, 43 percent plan to stay in the same position in the next
year; an additional 27 percent said they would like to stay at FTB but pursue a different position. So, right off the top, we have 70 percent of employees who intend to stay. 11 percent of respondents plan on leaving FTB to either pursue a position in another state agency or pursue a position outside of state service. 4 percent of employees plan to retire, and the remaining 14 percent of employees preferred not to say.

Now, Thi will discuss the areas of strength as well as a couple of areas of improvement.

MS. LUONG: Thank you, Jessica, and good afternoon. I will walk you through a deeper dive into the survey results. CPS HR Consulting's research shows that there are seven key factors that proved to drive employee engagement.

This chart displays the seven factors, how FTB scored, which is the percentage of FTB staff who responded positively to the questions within each factor, and the relative weight, which measures how important each factor is to FTB staff.

According to CPS HR, a score above 65 percent means that the factor is an area of strength, and the organization should work to maintain or incrementally improve in those areas.

The highest three scoring areas for FTB are: My Organization's Mission at 84 percent, meaning that FTB staff
understands why we exist; My Supervisor at 83 percent, which included questions such as, "My supervisor listens to what I have to say," and, "I have a high level of respect for my supervisor"; My Team at 81 percent, which questions such as, "People on my team cooperate to get the job done," and, "Overall, my team's work is high quality."

And because FTB does have a culture of continuous improvement, we do see the following two factors as areas we want to get even better at, even though we scored relatively high compared to other organizations that were surveyed. First, Training and Development at 70 percent, which included questions such as, "I have the opportunity to develop within the position I hold." And Leadership and Management Change at 65 percent, with questions such as, "I feel that change is managed well within my organization."

The results show that overall employees find challenge in their work, have confidence in their supervisors, and would recommend FTB as a good place to work.

We are especially proud of our team's strong connection to FTB's mission, which is to help taxpayers file timely and accurate tax returns and pay the correct amount to fund services important to California.

84 percent of employees responded positively to the statements of, "FTB's mission is important to me," and, "My work makes a difference in the lives of Californians."
80 percent of employees responded positively that "FTB is successful at accomplishing its mission."

In order to maintain our areas of strength and to focus on areas of opportunity, our high-level next steps include, first, update our Strong Organization strategic goal for FTB's next Strategic Plan. Our current goal highlights the importance of investing in our employees to create a culture of engagement and empowerment. The highlight will call out the need to continue investing in our employees and, really, to welcome input from all levels within the organization.

Second, continue to refine FTB's leadership programs. In the coming year, we will evaluate the existing programs to ensure that we meet the needs of current and future leaders.

Third, host the third annual Career Awareness and Resources Event because we do recognize the importance of investing in our staff for long-term growth. The feedback from prior events shows that our employees appreciate learning about the opportunities that are available to them.

And last, similar to 2016, we'll conduct focus groups for a deeper understanding of the results. These groups will brainstorm potential improvements that were identified in the survey and set the basis for further action planning.
The following video is the first step in letting our staff know that we heard them roar and that the team is working hard to make FTB an even better place to work and grow.

(Video played.)

MS. LUONG: We thank you for your support and time today.

Do you have any questions for us?

CHAIRPERSON YEE: Are there any questions, members, on the survey?

(No response.)

CHAIRPERSON YEE: First of all, let me just say, really wonderful job on the survey, particularly the high response rate and the -- just the high degree of engagement is really remarkable and just speaks to the -- the connection that everyone feels to the organization and the mission as we talked about.

I just have one question and it's a little bit of going forward. I know that over the past 10 weeks, obviously throughout the state government, the arrangements for work have, you know, varied to respond to the COVID19 health emergency. Is there going to be a survey tool utilized to get feedback about telework and some of the other alternative arrangements that have been made?

MS. LUONG: Thank you for -- thank you for your question. And that's a great point.
So we have released some -- some articles as well as some guides to help employees transition into the telework. We have not explored the idea of a survey, but that is a great input. Thank you.

CHAIRPERSON YEE: Okay. Yeah, I think -- certainly I know we're amongst state agencies that are in the controller's office trying to just get a handle about how we assess the -- I guess the success or the experience of telework. And so it wasn't something we planned for and something we really were thrust into. It's almost like working backwards to try to get that assessment to reflect, you know, what the experiences have been. But it -- it looks like maybe a work option that will be here to stay for a little bit.

Thank you.

MS. LUONG: Thank you.

CHAIRPERSON YEE: Member Miller, Member Vazquez, any questions on this?

MEMBER VAZQUEZ: No. I would -- I was just saying that I would just join in with your compliment. I think this is great. When they look at the survey and they're talking about 80 percent, I mean, that's a pretty high number there.


Great job.
Thank you to the presenters. Jessica and Thi, thank you.

Members, we'll move now move on to Item Number 3, which is a video presentation on the 2019 accomplishments, and that will be presented by Daniel Tahara. This is also an informational item.

MR. TAHARA: Thank you very much, and good afternoon, Madam Chair and Board Members. My name is Daniel Tahara, and I work in the public affairs office.

Employee engagement and celebrating our employee's successes are very important to us here at the Franchise Tax Board. If you ask Selvi or any of our other leaders, our employees are our most valuable resource. And I've had the privilege to work with many talented, hardworking people across business areas here at FTB.

And, day in and day out, I see staff dedicated to FTB's mission, helping taxpayers file accurate and timely tax returns. But I also see them dedicated to treating taxpayers with the respect they deserve.

Back in 2013 we started the annual accomplishments video as a way to engage and recognize staff while celebrating our milestones and successes.

The video you are about to watch highlights our past year's accomplishment. And, as you will see, 2019 was a very busy year.
We believe the video offers great examples of FTB's values in action. After all, each day we strive to: Lead with integrity and inspiration; bring our best; deliver excellent products and services; contribute to a caring community; and become experts at what we do.

This year's video is quite creative as our Multimedia team takes us on a journey in a day of the life of an FTB employee. Now, I invite you to sit back and enjoy your 2019 accomplishments video.

(Video played.)

MR. TAHARA: Thank you for watching, and I would be happy to answer any questions.

CHAIRPERSON YEE: Thank you, Dan, very much. Wonderful, a wonderful presentation. Congratulations to the entire FTB team and organization. Some of the numbers were quite astounding that you shared in the video. I'm just fixated on the resolution of over 40,000 fraud cases. I don't think there's enough days in the year to accommodate 40,000 fraud cases. But it's just really a wonderful accomplishment.

Let me turn it over to my colleagues. Members Miller or Vazquez, any questions or comments?

MEMBER VAZQUEZ: Madam Chair, I'm going to take your word for it because I couldn't see it.

CHAIRPERSON YEE: Okay. It's worth seeing, even
after the fact. So we'll be sure you get that.

MEMBER VAZQUEZ: Vazquez. I will.

CHAIRPERSON YEE: Member Miller, any comment?

MEMBER MILLER: (Indicating.)

CHAIRPERSON YEE: All right. Thank you. Thank you very much, Dan.

MR. TAHARA: Thank you.

CHAIRPERSON YEE: Okay. Members, let's move on to Item Number 4. This is also an informational item. This is a PowerPoint presentation related to the COVID19 pandemic. It is an update that will be presented by Rick Biagi, Craig Scott, and Paul Ogden.

Good afternoon, gentlemen.

MR. BIAGI: Good afternoon, Chairperson Yee and board members. I'm Rick Biagi, the assistant director of the Advisory, Analysis and Services Bureau in the Accounts Receivable Management Division. Today I am here along with Craig Scott and Paul Ogden to share with you what we have been doing to help taxpayers and our employees during the COVID19 pandemic.

In February and in March of this year, the Franchise Tax Board observed the growing trends with respect to the COVID19 pandemic. In order to prepare for the possible impacts on California taxpayers, Franchise Tax Board's Disaster Strike Force Team identified that with the
stay-at-home order every Californian would be impacted, whether they contracted the virus or not, including individuals as well as California's business entities and our nontax debt customers. As a result, we acted quickly to extend our tax filing and payment deadlines for California taxpayers to June 15th, 2020, and then further extended those deadlines to July 15th.

This extension included both calendar and fiscal year returns as well as return and estimate payments due between March 12th of 2020, and July 15th, 2020, which we refer to as the postponement period.

We believe that California taxpayers should not be required to contact us for this relief, but that we should provide it to them automatically.

We worked with our Technology Service Division to program changes to our systems to treat tax returns and payments due during this postponement period as timely, provided they were filed and/or made by July 15th. This automatic treatment also extended to not assessing penalties or charging interest on current tax year liabilities during the postponement period.

At the same time, we identified that thousands of our customers had already scheduled electronic fund transfer payments to take place by April 15th. Unfortunately, we were unable to make system changes to automatically extend
or reschedule those payments. As a result, we moved contact
center agents over from other contact centers to service
those customers who contacted us to cancel the existing
scheduled EFT payment and establish a new date for the
payment to take place.

FTB determined that we should also delay collection
action. For those of our customers who were either working
reduced hours, laid off, or forced to close their business,
their primary focus would be paying their bills and putting
food on the table. The last thing they should have to
contend with would be a collection notice or action from the
Franchise Tax Board adding to their anxiety. We quickly
placed into effect suspended wage attachments, bank levies,
liens, collection phone calls and field calls; delaying
suspending from doing business any business entities with
the Secretary of State; delaying publication of our top 500
list including occupational and driver's license suspension;
extending hardship for those unable to pay; allowing for
skip-payments for installment agreements through July 15th,
2020; suspending most new and existing offsets; and
establishing alternate methods for revivors and student
assistance letters.

In addition to publicizing our external FAQs, we
ensured internal communication went out to FTB staff,
informing them of our delays and encouraging staff to
exercise their discretion in order to best assist customers during this unprecedented time.

Our Technology Service Division was of great assistance as they expedited our requests to ensure that our collection systems didn't automatically issue delayed notices or levies.

On March 12th, 2020, FTB also delayed some audit and filing enforcement activities. During this postponement period, FTB kept our phone lines open to assist taxpayers and provide for alternative communication methods for taxpayers and their representatives with interacting with FTB. We also temporarily accepted electronic signatures on statute of limitation waivers. Furthermore, we granted extensions of time for customers to respond to our document requests, and, finally, we delayed noticing and assessments of prior tax years on non-filers.

Beginning on July 16th, 2020, FTB will resume sending notices. Since interest has continued to accrue on prior tax year balances and interest will begin to accrue liabilities, it is imperative we send taxpayers their balance due notices. However, staff is available to answer calls, and our staff are trained to listen to the customer and their individual situation.

If customers experience a financial hardship and are unable to pay, our collectors have the authority to delay,
modify, or release levies or garnishments; establish installment agreement plans for repayment; allow for skipped installment agreement payments; delay collection on accounts as warranted; abate penalties when reasonable cause has been demonstrated; place taxpayers into hardship as warranted; allow for extensions to respond to audit requests for information with concurrence from audit; and make taxpayers aware of their current year tax return filing and payment delay.

And, now, I will turn the microphone over to Craig Scott, Deputy Chief Counsel in our Legal Division.

MR. SCOTT: Good afternoon. It is a pleasure to continue sharing with you all that FTB has done and is doing to benefit California taxpayers during this challenging time. Rick covered some of the filing and payment extensions that we announced in March, as well as what we are doing with our collection activity. I will address additional relief that FTB has provided to taxpayers and discuss how we have communicated that relief.

On March 30, 2020, FTB issued Notice for the 2020-02 to advise California taxpayers of additional time to file claims for refund, protests of notice of proposed assessment, and appeals with the Office of Tax Appeals. For claims for refund, FTB advised taxpayers that where an applicable statute of limitations to file a timely claim

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expires during the postponement period, FTB will consider
the claim timely if filed on or before July 15th, 2020.

We also advised taxpayers that if the 60-day period to file
a protest of a notice of proposed assessment expires during
the postponement period, FTB will consider the protest
timely if filed on or before July 15, 2020.

Finally, we advised taxpayers in FTB Notice 202002
that if the time period to file a timely appeal with the
Office of Tax Appeals from a notice of action sustaining a
notice of proposed assessment or denying a claim for refund
expires during the postponement period, the appeal will be
considered timely if filed on or before July 15, 2020.

FTB also provided relief for nonresidents with
nonwage withholding requirements. The form filing and
payment due date for the first pay period of April 15th,
2020, and the due date for the second pay period of
June 15th, 2020, have been extended to July 15th, 2020.

During this difficult time, the call center has remained
open to respond to taxpayers' withholding questions.

FTB has used various means to inform California
taxpayers about the relief we have provided. We created a
specific COVID19 page on our website at ftb.ca.gov with FAQs
to answer the questions we are receiving. And we are
continuously adding to those FAQs as new questions come in
from taxpayers, their representatives, or tax publications.
We value the partnership with these publications and appreciate that they spread the news quickly among their readers.

Also, on that web page is an easy to follow chart showing the new filing and tax return dates and the estimated payments due dates for individuals, business entities, trust and estates, and exempt organizations. We included information for both calendar year and fiscal year filers.

We also have included on our web page a link to free filing resources, including CalFile and several free federal return filing sites. These resources are particularly helpful now that filing a paper return is more complicated. We are encouraging taxpayers and their representatives to use available electronic options for filing and paying whenever possible.

Our Legal Division has participated in several webinars to discuss the relief FTB has provided to California taxpayers. One of those webinars was for the California Lawyer's Association, or CLA. CLA also asked if FTB would provide a short video summarizing taxpayer relief. In response, our Public Affairs Office prepared an informative YouTube video and then provided the link to CLA to post.

Finally, FTB has partnered with Internal Revenue
Service to provide information to Californians about the federal economic impact payments. For example, we provided a link on our COVID19 web page to the IRS Economic Impact Information Center, which provides responses to frequently asked questions and information about the status of payments.

We received several questions about California conformity with certain provisions of the federal CARES Act. The Legislative Services Bureau and Legal collaborated to provide important guidance on several provisions of the CARES Act and FAQs posted to our web page that are of particular importance to individual taxpayers.

For example, we advised taxpayers that the economic impact payments that individuals receive from the federal government are not subject to California income tax. We also included an FAQ advising taxpayers that the emergency increase in unemployment compensation benefits in the amount of $600 per week that individuals receive under the federal CARES Act are also not subject to California income tax.

Finally, we advised California taxpayers that the federal early withdrawal penalty waivers for distributions from qualified retirement accounts under the federal CARES Act applies for California income tax purposes. This means for a limited time taxpayers affected by the coronavirus...
will be able to withdraw money from their qualified
retirement account without being subject to the additional
2 1/2 percent early withdrawal penalty. Qualified
California taxpayers can avoid taxes on the nonqualified
eyearly withdraw if they put the money back in their
retirement account within three years. If it can't be
returned, taxpayers may be able to pay the taxes on the
eyearly withdrawn funds over three years.

FTB continues to process tax returns, issue refunds,
and provide phone and live chat services to individuals and
businesses needing assistance. Customer service continues
to be a priority to FTB during these challenging times, as
we balance taxpayer's needs and the health and safety of our
employees.

Now, Paul will address all that FTB is doing to
ensure its employees stay safe and engaged during this
difficult period.

MR. OGDEN: Good afternoon. It's an honor to be
here today. My name is Paul Ogden, and I'm the director of
FTB's Business and Human Resources Bureau. Craig and Rick
just talked about all the things FTB has done and continues
to do for California taxpayers as a result of COVID19.

Just as we are trying to do our best to help
California taxpayers during these unprecedented times, we've
also tried to take care of what you've heard Selvi say in
this forum time and time again is our greatest asset -- FTB employees.

I don't think it will surprise any of you to know that even though other things were going on, such as the deadlines for filing tax returns being extended, our work did not come to a halt. And, because of -- many of the -- FTB's workload were deemed essential to the State of California, we had to figure out how to get them done. But we at FTB have always understood that there's more to it than just the work itself.

My part of the presentation will focus on things we did to, first, find alternatives for remote work; second, create spacing in our facilities; and, third, provide information and support to our employees.

I want to point out that before stay-at-home orders were in place, we were already looking for ways to allow more of our staff to work remotely; before social and physical distancing became everyday terms, we were strategizing ways to create spacing in our facilities; and, from almost day one, we were brainstorming ways to keep our employees in the know and making them aware of available resources.

So finding alternative way -- ways to remote work. What I'm really referring to here is allowing as many people to work remotely as possible, while still achieving our
departmental goals related to customer service and processing of what became even more important than ever -- taxpayer refunds. We did that in several ways.

We increased telework opportunities. This included rolling out of laptops and other tools, and included making a speedy procurement to enhance our Virtual Private Network services.

Leverage technology. We did this by marketing and granting additional access to employees’ desktop computers, through VPN and by video conferencing using tools such as Skype and Webex. And we made it easy for non-techies to get up and running.

In allowing flexibility in schedules, in prioritization of workloads, and allowing some areas that have never before been able to telework the opportunity to do so. And we looked for ways to implement remote call centers through pilots.

Through these and other efforts, we went from a situation where roughly 5,000 personnel were physically in the building on a daily basis to one where over 70 percent of them now telework, leaving a little over a thousand coming into the office. And things like joining a large Skype meeting have become second nature to most of us. Second, creating spacing in our facilities. Just because we're able to reduce the number of people in building,
didn't mean our work was done. We wanted to make our
facilities as safe as possible for those whose jobs required
that they physically be in the office. So wherever
possible, we instituted social distancing. And, in areas
where it couldn't be accommodated satisfactorily, we
instituted rotating schedules. We posted our social
distancing guidelines around the department as a constant
reminder. We postponed in-person meetings, events, and
gatherings wherever possible. We made adjustments to hiring
processes where hiring couldn't be postponed. We are now
conducting most interviews using telephone or video
conferencing. And, when we have to do them in person, we
take advantage of larger conference rooms and stick to our
social distancing guidances.

Providing information and support: We knew going in
that the largest we could do -- the biggest thing we could
do for our staff was to keep them up to date and to let them
see and feel that we were taking care of them.

We stuck to three primary channels or themes to
communicate with staff. The first was a weekly update and
message of inspiration from Selvi and her Governance
Council. Controller Yee, you were kind enough to
acknowledge and thank staff in a message especially from
you.

The second channel was more on the technical side,
and the messages came directly from human resources. The theme of this channel covered things like how we could be eligible for emergency paid sick leave or specific guidance on teleworking or how to sign up for the State Controller Office Portal and see your pay stub and W2 online.

The third channel of communication was through general announcements. These contained more general information such as the latest guidance from CalHR or how to request reimbursement of expenses due to teleworking. And we keep a repository of all these messages front and center on our internal FTBNet.

Another key component of providing information and support was saying thank you and sharing inspirational stories of staff accomplishments. Every morning and at every entrance, FTB employees are greeted with a positive — with a poster of Selvi thanking them for coming in and for their continued service. Our talented Communications and IT staff have created videos recognizing and thanking our employees, no matter what their role or where they're performing their work.

Beyond our department messaging, managers came up with ways to stay in touch with their employees, not only through regular individual check-ins, but also through things such as "water cooler" meetings, which were basically group meetings through Skype where they could not only talk
about work assignments, but also connect on a more personal level.

None of these items I just mentioned happened by accident. At the first sign of the coronavirus becoming a hot issue, we activated our Emergency Operations Center, made up of Selvi and her Governance Council and other key personnel, including Health and Safety, Communication Services, Legal, and Human Resources. We started meeting twice a day, every day and had conference calls on the weekends. Our focus was usually on three things: What was the latest information, how it would impact our work and our staff, and how to best communicate it to our staff.

Now, a minute ago I mentioned that we share inspiration stories with employees. These are actually submitted by the employees themselves and have grown to be an FTB favorite. Some submissions are about how a staff member or supervisor has stepped up to make a difference in work environment. Others are about compassionate acts or things like donating their time or homemade face coverings in the community. One story in particular was about one of our employees who put their own life at risk to save the life of a total stranger on the street.

These are just some of the reminders we get of how special our employees are, and I want to thank them again here publicly today for their ongoing efforts.
And, now, I also want to thank you for allowing us this time to talk about what we have done and continue to do for California taxpayers and for our employees.

We would be happy to answer any questions or provide additional information at this time.

CHAIRPERSON YEE: Thank you very much for the presentation, really thorough and just a lot of really good strategies put in place, and really appreciate the ongoing focus on serving our taxpayers and keeping employees safe.

Let me turn to my colleagues.

Members Miller, Vazquez, any questions or comments.

MEMBER VAZQUEZ: Madam Chair, I would just say kudos to the staff. Sounds like there's some real good synergy going on at all levels within FTB right now.

CHAIRPERSON YEE: Absolutely, absolutely. Thank you.

Member Miller?

MEMBER MILLER: No, thank you, Madam Chair. Just agree with Vazquez that the collaboration and synergy is really great and understand how tough these times are especially with the -- in the past week with the murder of George Floyd. So very grateful for everything you're doing to keep our state running. Thank you.

CHAIRPERSON YEE: Thank you very much. I think the -- the key aspect of this is communication and certainly
external communications with our taxpayers has been key and
tank you for -- and to the governor also for just all of
the considerations with respect to the extension of
deadlines and really understanding the realities of what
Californians are facing today.

And then with respect to the staff, I just have to
say a lot of this is really about the culture -- and the
culture of FTB that's really allowed for just really swift
action and for this teamwork to facilitate all of the
arrangements that have had to be necessary and the
flexibility that has to be involved to -- just to
accommodate the situation in which we're in. So, again,
thank you.

I just have one question, and it really relates to,
I guess, the community of taxpayers, or tax filers if you
will, who I think may -- I just want to be -- I'm concerned
they don't fall through the cracks. And these are our
CalEITC, young child tax credit claimants. And with so much
of the outreach infrastructure to get information out to
potential claimants has also been compromised by the COVID19
pandemic. And so I just wanted to see if you could shed any
insight with respect to how we are continuing to keep our
efforts aggressive with respect to reaching potential
claimants on benefits that they are -- they certainly
earned.
MR. BIAGI: This is Rick Biagi, and I can respond to that. FTB continues to partner with the Department of Community Services and Development and the State Interagency Team Reducing Poverty Work Group to promote free tax preparation services along with CalEITC and young child tax credits on FTB's main Facebook, Twitter, and Instagram pages. We've posted 236 times related to EITC or young child text credit. And while the majority of vital sites have closed as a result of the statewide shutdown, FTB staff has been available every day at -- here at FTB as well as at home to respond to questions from the VITA sites. And, to date, we've responded to 3,500 contacts regarding that.

Finally, FTB placed a message on our website under "Free tax help," indicating that most VITA sites have closed, but that they may reopen soon and provided a locate tool for customers to locate the VITA site closest to them.

CHAIRPERSON YEE: Thank you. Thank you for all those measures to be sure that some of our most vulnerable, as a result of the pandemic, are still going to be continued to be served.

I neglected, members, to invite members of the public who wish to seek to address. So let me just go back beginning from Items 2, 3, or 4.

If there are any members of the public who wish to address the board.
TAMI GRIMES: Controller Yee, no public comments at this time.

Thank you.

CHAIRPERSON YEE: All right. Thank you. Appreciate that.

Thank you very much for the presentation. Really appreciate the COVID19 update.

We will now move to Item number 5, which is also a PowerPoint presentation. This relates to the CalSavers Program. And this presentation will be made by Gretchen Moe.

MS. MOE: Good afternoon. My name is Gretchen Moe, and I'm the assistant Bureau Director in the Statewide Collections Bureau of the Accounts Receivable Management Division where the nontax debt collection programs reside. I'm here today to share with you the CalSavers Retirement Savings Program and how FTB will assist with this program.

California was the first state in the country that enacted legislation to establish a state-run retirement savings program for private sector workers. Senate Bill 1234 established the CalSavers Retirement Savings Program in 2012. This program was designed to address the retirement security crisis threatening families nationwide.

With this program, employers with California-based employees that do not already offer a workplace retirement
savings program are required by state law to either begin offering one through the private market or participate in CalSavers. The employer's role is relatively simple and there are no fees charged to facilitate this program.

CalSavers is completely voluntary for employees. Employees can choose to participate through their employer or enroll on their own. They can change their contribution rate and investment options at any time. Employees can keep their account even if they change jobs. This is a cost-effective way for employees to save for their retirement and can opt in or out at any time.

CalSavers collaborated with stakeholders to design the program in an effort to encourage participation. Their teams worked daily with non-profit program partners to reach workers through their existing networks and by following best practices from other programs serving low to moderate income workers, such as EITC and Covered California. They designed numerous communication materials in multiple languages to share the benefits of this great opportunity.

They also offered employees overviews, videos, and customer support to encourage participation. The current employee participation rate is 73 percent. This is consistent with the baseline assumption of 70 to 75 percent participation which was included in the feasibility study of 2016. This is also higher than the 60 to 70 percent
participation rate observed in the programs -- the programs
implemented in Illinois and Oregon.

CalSavers launched a pilot in 2018 with the first
employee registering in November of 2018. The program
officially launched statewide on July 1st, 2019.

The program will be implemented in a three-year
phased approach. It includes staggered deadlines for
registration based on employer size. The first deadline is
for employers with more than 100 employees to register. The
deadline has been extended from June 30th, 2020, to
September 30th, 2020, due to the COVID pandemic. While it's
too early to provide real compliance numbers, the program is
designed to be easy for employers to participate and high
levels of compliance are anticipated. All eligible
employers are encouraged to join at any time prior to the
registration deadline.

There are five potential penalties for employer
non-compliance. The initial penalty would apply when an
employer fails to register for CalSavers by the deadline.
Once an employer registers, there are requirements to upload
their employee roster, register any new employers, withhold
funds from their employees' pay, and remit those withheld
funds to CalsAVERS. Each of these actions has a
 corresponding deadline. An employer that fails to meet one
of these deadlines would be assessed a penalty.
CalSavers has requested FTB's assistance in gaining employer compliance with the program requirements. CalSavers will assess for penalties for noncompliance. For those employers that remain noncompliant after the CalSavers notification, FTB will then send notices to those remaining employers. FTB staff will be available to provide general customer assistance; however, CalSavers contact information will also be included on the notice for account-specific questions.

Employers have the right to appeal any -- to appeal any of the penalties that are assessed. FTB will handle the first level of appeals by providing an independent review. The goal of the enforcement effort is to promote employer compliance and provide an opportunity for millions of Californians to save for their retirement.

FTB has been collaborating with CalSavers to identify legislative changes needed to allow FTB to assist CalSavers in penalty collection. This change primarily relates to giving FTB the legal authority to take on this role as well as providing FTB-related regulatory and resource authority. CalSavers will identify a potential pathway to move legislation -- legislative changes through the legislature. Ideally, any changes will be designed to allow flexibility for future growth.

FTB is finalizing the estimated cost for this
assistance. The initial costs would cover the building of the infrastructure to issue the notices, process payments, and transfer monies to CalSavers. The ongoing cost would cover answering incoming phone calls and the first level of appeals review. CalSavers would reimburse FTB for any costs incurred, and an interagency agreement would be used to manage this collaboration.

The CalSavers program is still in its infancy. The biggest challenge is raising awareness among employers regarding this mandate, especially with the limited resources provided for this new program. Similar to the employee outreach strategies and communication materials, CalSavers has a robust employer outreach program and multilingual communication tools designed specifically for employers. CalSavers is implementing a sophisticated direct marketing and outreach strategy that will become more compliance focused as the deadline approaches and appreciates the partnership with FTB.

CalSavers and FTB are continuing to meet to finalize this plan. We look forward to your continued support as we move forward to provide California citizens this retirement saving opportunity. This concludes my presentation. I would be happy to answer any questions.

CHAIRPERSON YEE: Thank you very much, Gretchen.

Questions or comments, members?
CHAIRPERSON YEE: Okay. Hearing none -- first of all, let me just thank the Franchise Tax Board, FTB, team. This is something that is becoming, and I believe will become, a more critical program as we look at, certainly, how, when we reach the other side of this pandemic and getting more of our Californians back to work. It really is a critical piece with respect to economic security and retirement security. And, prior to the pandemic, we were working under the assumption that close to 7 million Californians who -- or were working did not have employer-sponsored plans. So this really is a critical program to begin to get those workers in the habit of saving and certainly having a state-sponsored program can help facilitate that.

And I really appreciate Franchise Tax Board and the capacity that we know FTB has in working with employers in the employer community. I think this will be really a wonderful arrangement for the -- supporting the -- the ongoing conversations with CalSavers and the Franchise Tax Board to be sure that we can deliver for our employers as well.

Without any other questions from members, are there any members of the public who wish to speak on this item.

TAMI GRIMES: No public comment. Thank you.
CHAIRPERSON YEE: Thank you.

All right. Thank you very much, Gretchen.

Okay. Members, our next item is going to be Item Number 6, these Administrative Matters. We have Tiphanie Weiss presenting on the conceptual 2021, 2022 Budget Change Proposals. This is an informational item. And then that will be followed by Michael Banuelos who will be presenting the contracts over a million dollars. That will be an action item for board approval. So let me start with Tiphanie.

MS. WEISS: Thank you. Good afternoon. My name is Tiphanie Weiss. I'm the Director of the Financial Management Bureau, and I am here today to present the Budget Change Proposal concepts under development for 2021, '22 fiscal year. We would like to note that FTB is aware of these economically challenging times. And, while we're uncertain of the outcome of these concepts, we felt it was important to document our resource constraints and program limitations. If appropriate, we will return to the September board meeting with fully developed proposals for your approval.

For the 2021, '22 fiscal year, we've identified three concepts for development.

The first concept is Enterprise Data to Revenue Phase 2 or EDR2.
In 2008 FTB began a multi-phase tax system modernization effort aimed at modernizing systems and achieving a strategic target model. The tax system modernization effort consists of three phases.

The first phase, the EDR project, laid the foundation by delivering the infrastructure and software architecture for a consolidated platform with common business functions and services. EDR implemented case management, modeling, and an internal and external taxpayer folder.

EDR2, with this concept, will build on this platform by delivering enterprise case management and modeling services for audit, filing, enforcement, and underpayment, as well as expand on the taxpayer folder and contact center platforms functionality.

This concept will address the resources required for the first year of planning, design, and consultant and professional services that are critical to the success of the EDR project.

The next concept is the political reform audit program concept. And it evaluates additional resources required to complete mandated political reform audits. Over the years, the program has continued to increase in complexity and volume as additional disclosure requirements, limitations, filing requirements, and audit verifications
have been added. In addition, the number of political committees and candidates continues to increase. This concept will explore the resources required to address this increase in workload.

The final concept is privacy and system assessments, and it will address the resources required to perform new mandated workloads within Franchise Tax Board's Privacy Program and Information Security Oversight Unit. These workloads expand the privacy and security framework validation and reporting for the department's business processes, projects, and systems.

These are the three concepts under development for the 2021, '22 fiscal year. I would be happy to answer any questions you may have at this time.

CHAIRPERSON YEE: Thank you, Tiphanie.

Members, any questions on either of these BCP concepts?

(No response.)

CHAIRPERSON YEE: Let me just ask you one, Tiphanie. And, if you don't have an answer, not to worry --

MS. WEISS: Sure.

CHAIRPERSON YEE: -- we can get it in September. But on the Political Reform Audit Program, can you give us an order of magnitude of the growth of the number of committees. I know they have been growing, but just, do you
have a...

MS. WEISS: I don't have that number with me, but that is exactly what we're looking at with the concept, is where the historic and the current growth.

CHAIRPERSON YEE: Okay. No problem. I'll wait until you bring that back.

Okay. Very good.

Any other questions, members, on this.

(No response.)

CHAIRPERSON YEE: Let me see if there's any member of the public who wishes to speak on this item.

TAMI GRIMES: No public comment at this time. Thank you.

CHAIRPERSON YEE: All right. Thank you, Tiphanie.

MS. WEISS: Thank you.

CHAIRPERSON YEE: Next, we'll have Michael Banuelos to present the contracts for approval.

MR. BANUELOS: Okay. Good afternoon, board members. It's my pleasure to be here with you today. I hope you're all doing well.

My name is Michael Banuelos, and I am the director of the Franchise Tax Board's Procurement Bureau. I'm here today to present two proposed contracts over $1 million for the board's approval.

With your permission, I will present the contracts,
and then I will be glad to answer any questions that you may have.

CHAIRPERSON YEE: Go ahead.

MR. BANUELOS: So the first request is related to the State's Earned Income Tax Credit program, also known as EITC. I believe my colleague Rick talked about that a little bit earlier in the presentation, but I'm here for the contractual piece.

In the administration's January budget proposal, $10 million was included for outreach activities by nonprofit and community-based organizations that provide increased awareness of the EITC and that also provide free tax preparation services.

In order to effectuate this, we plan to enter into an interagency agreement with the California Department of Community Services and Development in order to leverage their existing grant processes.

These funds were removed during the -- during the recent May revision. However, we thought it would be prudent to bring this issue up to the board should the situation change during the finalization of the upcoming budget.

If outreach funds are added back to the budget, we would like to be in the position to work with the Department of Community Services and Development as quickly as
possible.

And if an agreement does come to fruition, the cost included would be the allotted outreach funds as well as CSD's operational costs to administer the grant program. So that's the first contract.

The second contract which I am presenting for your approval is for AppDynamics Monitoring Tools. AppDynamics provides monitoring tools that examine the health and performance of FTB's public-facing and internal system, including MyFTB, CalFile, WebPay, and Case Management. So some pretty critical applications in our environment.

These monitoring tools provide granular visibility into critical applications which helps our engineers and technicians better detect, isolate, and solve customer impacting incidents quickly.

We have been using AppDynamic products to monitor our systems since approximately 2013. FTB has a very intricate information technology infrastructure, and the quicker we can identify and respond to system issues, the better it is for our taxpayers, as well as our internal support staff that are using these systems.

We're proposing a three-year agreement, which is valued at approximately $1.26 million. And we intend on using the Department of General Services software licensing
program to procure the software.

So those are the two agreements I'm presenting for your approval, and I would be happy to answer any questions you may have on those.

CHAIRPERSON YEE: Thank you very much, Michael. Questions or comments, members?

(No response.)

CHAIRPERSON YEE: Actually, let me just see, are there any members of the public who wish to speak on this item?

TAMI GRIMES: No public comment. Thank you.

CHAIRPERSON YEE: Okay. Thank you.

Members Vazquez or Miller, any questions or comments?

MEMBER MILLER: No questions, Madam Chair. But, when you're ready, I would be happy to move this.

CHAIRPERSON YEE: Okay. I'm going to go ahead and entertain that motion.

Is there a second?

MEMBER VAZQUEZ: I'll second it.

CHAIRPERSON YEE: Thank you, Mr. Vazquez. We have a motion to second. Let me just raise a question if I could, Michael -- actually, it's not a question. But should the legislature restore the funding for outreach or if it's in the final budget, I believe there was an evaluation that was
done -- and I don't recall where. I want to say it was through one of the UC research centers about the effectiveness of outreach. And I want to be sure that we're factoring in just some of the findings and considerations in that report. I know that's going to probably be on the part of the Department of Community Services and Development, but there were some critical notes about outreach.

And, certainly, as we're talking about trying to get to harder-to-reach communities, I just want to be mindful about being sure that we're spending our dollars in the most effective way.

MR. BANUELOS: Sure. I completely understand. If I understand the context that it might have been an effort we were working on with public policy lab.

CHAIRPERSON YEE: Yee. Yes.

MR. BANUELOS: To work out some of these EITC issues. So, should we decide to go forward with CSD, that certainly would be an artifact that we would look at as we are structuring. CSD puts together these documents called Notice of Funding Availability to give the grants out.

So, as those are being put together and the requirements are put in there, they're looking at different demographics and how much money they think they're going to be able to spend by category and by agency. I would think that -- that would fit nicely in to looking at those
findings to see what -- what we can do if we need to do anything differently this year.


Yes, it was the policy lab. Thank you for refreshing my memory there.

All right. So we have a motion that's seconded without objection on these two contracts.

Such will be the order. They are approved.

Thank you, Michael.

MR. BANUELOS: Okay. Thank you for your support.

CHAIRPERSON YEE: Absolutely.

All right. Members, Item 7 is the executive officer's time. Let me turn to Selvi Stanislaus at this time.

Ms. STANISLAUS: Thank you, Madam Chair. And good afternoon, board member. I first want to thank our staff who worked very hard to put this board meeting together. They worked countless hours to make our first ever virtual board meeting a success.

For my time today, I would like to discuss the 2020 filing season update. As previously stated in the COVID update, FTB extended various filing season deadlines to provide relief to California taxpayers. These efforts changed the due date to file returns and make payments to July 15, 2020, thereby extending our filing season by three
months.

As of April 15th, 2020, FTB received 25 percent fewer returns and 33 percent fewer payments valued at 18 billion. We have continued to receive returns and payments above historical levels over the last six weeks. While the processing and validation of all returns and payments continues as of May 30th, I would like to share some number with you.

We processed 40.4 million personal income tax returns, with 13 million of those efiled. We issued 10.5 million refunds with an average refund of $996.00. Better still, $8.4 million refunds were deposited directly into taxpayers' bank account. We received 5.7 million tax payments, totaling 19.7 billion with 51 percent made electronically.

So, for perspective, we have a little over a month at July 15th due date, and we hope to process 3.3 million more income tax returns. We hope to issue an additional 1.8 million refunds with 80 percent through direct deposit and receive 5 million more payments with nearly 51 percent being electronic payments.

Now, some updates about our favorite program VITA. Although our VITA efforts were cut short this year, we do have some highlights to share. We had 153 FTB volunteers, with 57 new volunteers this year. We assisted taxpayers at
five community sites in February and March.

VITA sites throughout the state are exploring options to provide free tax preparation through virtual or drop-off method. And FTB’s VITA team and volunteers are standing by to support the local free tax preparation community in June and July.

As Rick Biagi discussed earlier, FTB plans to resume compliance building activities in mid-July. With that said, we want everyone to know that we recognize the difficult financial situations many taxpayers are facing because of COVID19.

We will be listening to our taxpayers and offering solutions, including deferred payments to anyone that has a difficulty paying. So it goes without saying, this season has been one unlike any other. But our staff at FTB has adapted nicely and continues to work hard to service taxpayers. We look forward to sharing more details with you at our next board meeting.

And, as always, we value the perspective and experiences that our entire board brings to the table -- or in this instance, to the screen -- especially of the leadership of our Controller, the honorable Betty Yee. The Controller has expertly guided FTB during these difficult times.

In closing, I would like to personally thank each
and every one of the board members and attendees for joining us today.

    Thank you.

CHAIRPERSON YEE: Thank you, Selvi, very much and for your sustained leadership, especially during these very challenging times. But, as I said earlier, the culture of this organization is really what carries it through when it's demanded that people work closely together and continue to carry out the critical mission of the organization. So thank you very much.

Members, we're going to move to item Number 8, which is board members' time. And I would like to open it up for Members Miller and Vazquez for any comments.

MS. MILLER: No additional comments, Madam Controller. I just want to say ditto to what you said about the -- the culture and efficacy and -- of -- of the FTB and how incredibly hard everyone works. We're really grateful, and it's a true partnership.

So thank you for everything you're doing.

CHAIRPERSON YEE: Thank you, Gayle.

Member Vazquez?

MEMBER VAZQUEZ: Yes, Madam Chair. Just a quick comment here. You know, when I read over the January 30th news release where -- it has Jim quoted and his efforts -- but more people were qualified for state tax credits this
year and there are free tax assistance programs available, and anyone online can learn about the free tax preparation sites on e-file options.

So then I went on to the online FTB home page, and there it is. Good information on how a person, a family qualifies, and especially the section on what you will get. And, you know, by inputting, you have a chart there that basically breaks it down for those folks that do fill it out. And it shows them how much they would receive from the 2019 tax return, which I thought was really good. I mean, it's a good example. And I just wanted to give kudos to the staff for setting that up.

But I have a question, though: Moving forward, I know we moved -- even though, I guess, they moved the maximum increase from 30,000 for the 2019, but that's still, I thought, pretty low, you know, given -- especially a worker with three or more dependents when you looked at the cost of living, like, in Los Angeles, San Francisco, and San Diego. And, on the flip side, you have the federal EITC, which allows the same worker to go up to 50,000 if they're single and 55,952 if they're married, filing jointly. And I was wondering if there was any way for the CalEITC to possibly -- you know, at least move up to what the federal requirements are.

CHAIRPERSON YEE: Yeah, Member Vazquez, that's a
great question. And we know that when we actually do the outreach for CalEITC, we always, almost in the same way, talk about the federal EITC. But it would require statutory change, and this is a program that actually has been expanded over the years since its inception to include those who are selfemployed and to individuals in a household as well who meet the income requirements.

So it is a matter of statute, and the legislature's prerogative and it -- and obviously the availability of funding for the program. But I think, to your point, if we could actually make the criteria consistent, we would actually be more impactful for the eligible families and households.

MEMBER VAZQUEZ: That would be great if there's any way to do it.

And then my last question is, my office and I have received numerous questions and concerns regarding AB5 and its impact on independent contractors. And I noticed that there was also, you know, a -- recent issues raised around that issue, especially I'm thinking, you know, as it refers to the gig economy for web pages and how they are subject. And I was pleased to have another -- to have that also listed in that information piece.

But, I guess, my question is: What type of information do you anticipate the FTBE or the FTB will be
adding to our new gig economy web page as we move forward.

CHAIRPERSON YEE: I may check in with staff on that. Obviously, it's a fluid situation that the law -- (distorted ZOOM audio) -- in California as it stands in the books. And so it really is reaching out to those workers that have been a part of that platform economy -- platform-based economy to understand their new -- the new requirements and certainly for the companies as well.

But let me maybe turn to Selvi or one of the members of our Legal Department.

MR. HOFELING: You bet.

Member Vazquez, I would be happy to answer.

So, as you stated, we did recently update our gig economy web page about a month ago. We made sure that at that point we had the latest California income Franchise Tax information as it relates to the gig economy as well as information that would be relevant to gig worker.

So our next planned update that we're currently working on will be released later this year, and it will include the latest information and helpful tips and tricks when it comes to preparing their returns. The end of the year will be close to the time where people start to plan and prepare to file their 2020 returns. So we will make sure the information is geared towards how do you file and what you file and helpful information that will be available
at that time.

MEMBER VAZQUEZ: Thank you. I appreciate that.

CHAIRPERSON YEE: All right. Thank you, Member Vazquez, very much.

First, let me thank my colleagues for joining in with us virtually. I also want to thank the staff who are making it possible and a very successful meeting. And I just want to maybe conclude this meeting by, first recognizing, just, all of what our FTB team has to do to really respond to this COVID19 pandemic. I mean, we heard the initial report about all the things had to happen in terms of being able to still serve our taxpayers while protecting the health and safety of our employees.

But this is something that I don't think should be taken lightly. It does cause anxiety and stress. And I think for this particular organization where I just always see the employees pulling together. You know, one of the other data points of the achievements happened to be the tons of food for the food drive. I mean, this is just a generosity of spirit of this organization and just taking care of each other and certainly the community.

But, certainly, these times of stress and anxiety, and I think Member Miller mentioned this earlier, but I do not want to have be forgot that we had a period of unrest recently around, you know, the senseless killings of most
recently Mr. George Floyd, but also I want to just say the
names of Breonna Taylor and Ahmaud Arbery.

You know these are things that the country and the
state is grappling with. You know, a lot of people are
hurting. A lot of anxiety and stress and trauma. And what
I just want to say is that, you know, as our families and
our coworkers and certainly Californians are counting on us
more so than ever before with everything that's going on,
that I just want to ask each of us as we leave this meeting
to just take the time and encourage others to just check in
on our colleagues, check in on our neighbors, and if there's
any one who feels like they need to reach out to understand
where they can do so. And there are many resources
available for them to do so.

I do think this is going to be a period where we're
going to see a lot happening with people coming together,
and hopefully we'll help to facilitate some of that, begin
the healing process. And I know that FTB will be a leader
because of the culture and, certainly, the ethic of taking
care of one another.

And so, with that, let me just see if there are any
other comments or questions from members.

(No response.)

CHAIRPERSON YEE: Hearing none --

TAMI GRIMES: No public comment. Thank you,
Controller Yee.

CHAIRPERSON YEE: Thank you very much.

Hearing none, with that, this meeting is adjourned.

Thank you very much.

(Proceedings concluded at 3:02 P.M.)
CERTIFICATE OF REPORTER

I, VERONICA A. GUERRERO, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing proceedings were reported in shorthand by me, VERONICA A. GUERRERO, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said proceedings nor in any way interested in the outcome of said proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of July 2019.

/s/ Veronica A. Guerrero
VERONICA A. GUERRERO, CSR
Certified Shorthand Reporter
License No. 14129