

STATE OF CALIFORNIA

FRANCHISE TAX BOARD

PUBLIC MEETING

FRIDAY, SEPTEMBER 18, 2020

1:30 P.M.

HELD VIA VIDEOCONFERENCE AND AT

GERALD GOLDBERG AUDITORIUM

9646 BUTTERFIELD WAY

SACRAMENTO, CALIFORNIA

REPORTED BY:

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**APPEARANCES**

(All participants appeared via  
videoconference.)

BOARD MEMBERS

BETTY YEE  
State Controller  
(Chairperson of the Board)

ANTONIO VAZQUEZ  
Chairperson  
Board of Equalization

JAY CHAMBERLAIN  
Representative for Keely Bosler, Director  
Department of Finance

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STAFF

SELVI STANISLAUS  
Executive Director

DAWN CASEY  
Board Liaison

JOZEL L. BRUNETT  
Chief Counsel

SHANE HOFELING  
Deputy Chief Counsel

CHRISSY CASALE

YVONNE CRANKFIELD

FRANK CURCURO

JEANNE HARRIMAN

ANNETTE KUNZE

ANDREW LePAGE

TIM LEWIS

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*APPEARANCES CONTINUED*

CATHY McCOLLUM

YVONNE OLSON

VICTORIA RAMIREZ

CHRISTINE SEXTON

ROBERT SILVEY

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SACRAMENTO, CALIFORNIA

FRIDAY, SEPTEMBER 18, 2020 1:30 P.M.

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CHAIRPERSON YEE: Please call the roll to determine if a quorum is present.

MS. CASEY: Member Vasquez.

MEMBER VAZQUEZ: Present.

MS. CASEY: Member Chamberlain.

MEMBER CHAMBERLAIN: Present.

MS. CASEY: Chair-Controller Betty T. Yee.

CHAIRPERSON YEE: Present.

At least two members or their designated representatives being personally present, there is a quorum, and the Franchise Tax Board is now in session.

Let me welcome Mr. Chamberlain, virtually, back to the Franchise Tax Board. It's great to have you join us this afternoon.

Would you mind just all -- please stand and join me in the Pledge of Allegiance.

(Pledge of Allegiance was recited in unison.)

CHAIRPERSON YEE: Thank you. Good afternoon.

Again, welcome to the Franchise Tax Board's virtual Board meeting. As the FTB continues to follow all appropriate federal, state, and local guidance for a

1 public gathering, I and my fellow board members are  
2 attending the Board meeting remotely, and FTB staff are  
3 following social distancing best practices.

4 The public has the right to comment on each  
5 agenda item before us today. For today's meeting,  
6 members of the public may either comment in person or  
7 via telephone at (877) 226-8189; again, (877) 226-8189,  
8 with the access code of 2319076. Again, the access  
9 code, 2319076.

10 If there are any members of the public wishing to  
11 speak on an item, you may speak when that item is  
12 called, and you will have three minutes to address the  
13 board. You will be asked to identify yourself for the  
14 record.

15 The first item, Members, is the approval of the  
16 minutes. We have before us the minutes of the June 4th,  
17 2020, Board meeting.

18 Is there a member of the public wishing to speak  
19 on this item? Let me see if we have any comments from  
20 people who are in person at the Franchise Tax Board.

21 MS. RAMIREZ: For this agenda item, there is not  
22 a member of the public here at Franchise Tax Board who  
23 would like to speak on this item.

24 CHAIRPERSON YEE: Thank you.

25 Next, we will take any public comments from

1 people on the teleconference line.

2 Are there any persons wishing to comment on this  
3 item?

4 PHONE MODERATOR: Ladies and gentlemen on the  
5 phone line, if you wish to give public comment at this  
6 time, you may press 1, then 0.

7 (No response.)

8 PHONE MODERATOR: And there is no one queuing up  
9 at this time. Please continue.

10 CHAIRPERSON YEE: Great. Thank you very much.

11 Members, do I have a motion for approval of the  
12 minutes?

13 MEMBER VASQUEZ: So moved.

14 CHAIRPERSON YEE: Okay. Motion by Member  
15 Vasquez.

16 Is there a second?

17 MEMBER CHAMBERLAIN: Second that motion.

18 CHAIRPERSON YEE: Thank you.

19 A second by Member Chamberlain. It's been moved  
20 and seconded. Without objection, such will be the  
21 Board's order.

22 Let's move on to Item Number 2. It is a  
23 PowerPoint presentation on the 2019 awards. And this  
24 presentation will be made by Tim Lewis, and this is an  
25 informational item.

1 Good afternoon.

2 MR. LEWIS: Good afternoon. My name is Tim  
3 Lewis, and I'm a manager within the Business and Human  
4 Resources Bureau of the Administrative Services  
5 Division.

6 I would like to express my appreciation for the  
7 opportunity to present before you today.

8 Having worked in the Human Resources Bureau, I  
9 can't think of a greater honor than to present to you  
10 those employees who shined the brightest in 2019.

11 As you can see on the Parthenon, from the  
12 Parthenon on the screen, FTB takes its mission and goals  
13 seriously. This is something that particularly caught  
14 my attention and inspired me to serve two years on our  
15 Mission and Values Team early in my career here at FTB.

16 Every successful company, business, or agency  
17 must have a clear mission and a defined set of values  
18 that not only drive but also sustain their business if  
19 they are truly to become a strong organization.

20 FTB is no exception to that rule.

21 One of the key differentiators here, though, is  
22 the recognition of an enterprise-wide knowledge of and  
23 adherence to the mission of FTB and the values that we  
24 hold so dear.

25 Today, I will present a brief slide show to



1 recognize FTB staff who not only showed an exemplary  
2 commitment to those values, but who also went above and  
3 beyond to help us accomplish our mission and achieve our  
4 goals in 2019.

5         You will have the opportunity to meet the  
6 recipients of four different types of awards in 2019.  
7 First will be the Superior and Sustained Superior  
8 Accomplishment Awards. These are core teams or  
9 individuals who make significant superior contributions  
10 to state government by virtue of exceptional job  
11 performance.

12         Next, you will meet the recipients of the  
13 Supervisory Bonus Awards. These are supervisors who  
14 have demonstrated outstanding job performance, have  
15 exceeded the established standards, and consistently  
16 exemplify our values, one of which is leading with  
17 integrity and inspiration.

18         These supervisors are a very exclusive group and  
19 represent the very best of FTB.

20         And, finally, the recipients of the Large Team  
21 Awards. This award recognizes specific groups of FTB  
22 employees for their hard work, dedication, and  
23 successful contributions as part of teams, large and  
24 small. These teams contributed significantly to the  
25 Department's goals and mission in 2019.

1           A part of FTB's culture is to empower staff who  
2 think and operate from an enterprise-wide, innovative  
3 perspective. This has resulted in team effort and  
4 project successes.

5           The Large Team Award recipients are outstanding  
6 examples of how our employees at FTB exhibit our value  
7 of bringing our best.

8           Here at FTB, we firmly believe in the importance  
9 to appreciate and celebrate what has been accomplished  
10 by our great leaders and dedicated teams. In essence,  
11 this is how we continue to ignite the passion,  
12 perseverance, and fortitude to meet whatever challenges  
13 and opportunities present themselves head-on with  
14 dedication and determination.

15           So without further delay, please join me in  
16 recognizing the recipients of the 2019 Superior,  
17 Sustained Superior, Supervisory Bonus, and Team Awards.

18           (Video presentation.)

19           MS. LEWIS: Thank you for allowing us to present  
20 the slide show to you today. We appreciate your  
21 continued support in celebrating our star employees from  
22 2019.

23           CHAIRPERSON YEE: Thank you very much, Tim, for  
24 the presentation.

25           Just really brings abundant pride, I think from

1 all of us at the Franchise Tax Board, and  
2 congratulations to all of our award recipients for  
3 continuing to uphold our culture of excellence and  
4 (unintelligible.)

5 Members, are there any comments or questions on  
6 this item?

7 MEMBER VASQUEZ: Yes, Madam Chair.

8 CHAIRPERSON YEE: Yes. Member Vasquez, please.

9 MEMBER VAZQUEZ: Yeah. I also would like to just  
10 thank Mr. Lewis for your thoughtful and engaging  
11 presentation.

12 First and foremost, I commend the men and women  
13 of FTB on the job well done and congratulate them on  
14 their award. You all deserve this recognition for your  
15 tireless work and devotion in making FTB the best that  
16 it can be in serving our customers, especially in these  
17 uncertain times. You are even more important in keeping  
18 services available for those in need of assistance.

19 Looking at the many faces and showing these  
20 slides, the public do not have an opportunity to see all  
21 of you or interact with you, but what you do see is an  
22 agency that is committed in providing the best customer  
23 service in a timely manner, and that could not be  
24 possible without all of you.

25 I would like to thank all of you for your hard

1 work and dedication.

2 CHAIRPERSON YEE: Thank you, Member Vasquez.

3 Any other comments?

4 (No response.)

5 CHAIRPERSON YEE: Let me -- this is an  
6 informational item. What I would like to do is to see  
7 if there's any member of the public who wishes to speak  
8 on this item. We will first take public comments from  
9 people who are in person at the Franchise Tax Board.

10 MS. RAMIREZ: For this agenda item, there is not  
11 a member of the public here, at Franchise Tax Board, who  
12 would like to speak on this item.

13 CHAIRPERSON YEE: Thank you very much.

14 Let me just check and see if there are any public  
15 comments from those on our teleconference.

16 PHONE MODERATOR: As a reminder, if you are on  
17 the telephone conference line, you may queue up by  
18 pressing 1, then 0 at this time for public comment.

19 (No response.)

20 PHONE MODERATOR: And there is no one queuing up  
21 at this time. Please continue.

22 CHAIRPERSON YEE: Thank you very much.

23 Thank you, Mr. Lewis, for the presentation. And,  
24 again, congratulations to all of our award recipients.

25 We are now on Item Number 3, and this is a Filing

1 Season Update that will be presented by Yvonne  
2 Crankfield and Frank Curcuro. This also is an  
3 informational item. Yvonne and Frank, welcome.

4 Good afternoon, Chairperson Yee and Board  
5 Members.

6 MS. CRANKFIELD: My name is Yvonne Crankfield and  
7 I'm with the Franchise Tax Board's Filing Division.

8 Today I'm here, along with Frank Curcuro from our  
9 Accounts Receivable Management Division, to share with  
10 you what FTB has done to help taxpayers and support our  
11 employees during the COVID-19 pandemic and provide you  
12 with an update of the unique 2020 filing season.

13 The 2020 filing season was like no other. The  
14 COVID-19 pandemic and ensuing stay-at-home and shutdown  
15 orders spurred FTB into action to ensure our staff are  
16 safe and our taxpayers received the service and relief  
17 they needed.

18 In February and March of this year, we observed  
19 the growing trends with respect to the COVID-19  
20 pandemic.

21 On March 19th, all five FTB Public Counter Field  
22 Offices were closed to ensure the safety of our  
23 employees and customers. There were a limited number of  
24 Volunteer Income Tax Assistance locations around the  
25 state open to service our customers.

1 FTB's 153 VITA volunteers worked over 1,000 hours  
2 assisting taxpayers at VITA locations and on a drop-off  
3 basis through July 15th. The VITA volunteers assisted  
4 with filing over 18,000 state and federal tax returns.

5 In order to prepare for possible impacts on  
6 California taxpayers, our Disaster Strike Force Team and  
7 our Filing Season Action Team identified that all  
8 Californians would be impacted, including individuals,  
9 business entities, and our nontax debt customers.

10 As a result, we acted quickly to extend tax  
11 filing and payment deadlines for California taxpayers to  
12 July 15th, 2020.

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

17 We also provided relief for nonresidents with  
18 nonwage withholding requirements.

19 Throughout the postponement period, FTB's  
20 approach was that California taxpayers should not have  
21 to contact us for relief, but that we should provide it  
22 to them proactively.

23 We provided communication on our website  
24 regarding the California Earned Income Tax Credit and  
25 the Young Child Tax Credit to assist anyone with annual

1 earnings less than \$30,000 or families with at least one  
2 child under the age of 6 years old.

3 We worked with our Technology Services Division  
4 to make changes to our systems to accept tax returns and  
5 payments due during this postponement period as timely,  
6 provided they were filed and/or made by July 15th.

7 This proactive approach also included not  
8 assessing penalties or charging interest on current tax  
9 year liabilities during the postponement period.

10 We also assisted thousands of our customers that  
11 had already scheduled Electronic Fund Transfer payments  
12 to take place by April 15th, and later wanted to cancel  
13 their scheduled payment and establish a new payment  
14 date.

15 On March 12, 2020, we delayed key Audit and  
16 Filing Enforcement activities. During the postponement  
17 period, we kept our phone lines open to assist taxpayers  
18 and provided for alternative communications, such as  
19 live chat, and correspondence for taxpayers and their  
20 representatives when interacting with us.

21 We temporarily accepted electronic signatures on  
22 statute of limitations waivers, and, furthermore, we  
23 granted an extension of time for customers to respond to  
24 our document requests and delayed noticing and  
25 assessment of prior tax years on nonfilers.

1           FTB partnered with the Internal Revenue Service  
2 and provided a link on our COVID-19 webpage to the IRS  
3 Economic Impact Payment Information Center, which  
4 provided responses to frequently asked questions and  
5 information about the status of payments.

6           We also delayed collection action. We recognized  
7 that our customers who were working reduced hours, laid  
8 off, or forced to close their business would be focused  
9 on paying the bills and putting food on the table.

10           Our Technology Services Division was of great  
11 assistance as they expedited our requests to ensure our  
12 collection systems didn't automatically issue notices or  
13 levies.

14           We quickly suspended wage attachments, bank  
15 levies, liens, collection phone calls, and field calls.

16           We delayed suspension of business entities with  
17 the Secretary of State; delayed publications of our Top  
18 500 List, including Occupational and Driver's License  
19 Suspensions.

20           We extended hardships for those unable to pay and  
21 allowed for skip payments for installment agreements  
22 through July 15, 2020.

23           We also suspended most new and existing offsets  
24 and established alternate methods for revivors and  
25 individual status letters.



1           We published external communication for our  
2 customers, and in addition to publicizing our external  
3 FAQs, we ensured internal communication went out to our  
4 staff, informing them of our delays and encouraging  
5 staff to exercise their discretion in order to best  
6 assist customers during these unprecedented times.

7           In order to abide by the Governor's resiliency  
8 roadmap for reopening the state of California, and  
9 providing essential services to our customers, the five  
10 Public Counter Field Offices reopened on June 15 to  
11 provide assistance to customers by appointments only.

12           Our customers now have the ability to request  
13 field office appointments by contacting the field office  
14 directly by phone or via an e-mail link on our public  
15 website.

16           Customers coming into the Field Office Public  
17 Counters are expected to maintain current social  
18 distancing and safety protocols.

19           Feedback from our customers has been  
20 overwhelmingly positive, with over 3500 customers served  
21 since June 15th.

22           And now I will turn it over to Frank Curcuro from  
23 our Accounts Receivable Management Division for the  
24 Filing Season Update.

25           MR. CURCURO: Thank you, Yvonne. Good afternoon,

1 Chairperson Yee and Board Members. Thank you for  
2 allowing us to present this update today.

3 As Yvonne mentioned, FTB began planning ahead for  
4 this year's filing season in March of this year, in  
5 response to the Governor's state-at-home and shutdown  
6 orders. We also anticipated taxpayers would be  
7 struggling to pay their taxes and would have many  
8 questions as to when and how to file and pay.

9 At FTB, we frequently use the phrase "One FTB" to  
10 highlight teamwork. We collaborated as "One FTB" across  
11 several divisions to develop mitigation strategies to  
12 ensure we provide maximum level of access at our contact  
13 centers and provide an overall excellent customer  
14 service to all of our taxpayers throughout the shutdown  
15 and extended filing season. It was an enterprise-wide  
16 "One FTB" effort.

17 I'm proud to tell you that our efforts paid off,  
18 and this year's filing season was another success. Our  
19 website accommodated over 19 million visits with an  
20 increase of more than 3.6 million additional visits over  
21 last year, and we experienced a 5 percent increase in  
22 electronic payments over last year.

23 Every chance we get, we like to take the  
24 opportunity to champion the electronic services that we  
25 make available for taxpayers, whether it's e-file,

1 online payment options, or any of our other online  
2 self-service options.

3       Electronic payments are the fastest, easiest, and  
4 most accurate way for taxpayers to remit payments to us,  
5 and we continue to see a shift away from paper checks to  
6 electronic payments. This is great news.

7       We had a strong end to this year's extended  
8 filing season: We issued over 13.7 million refunds with  
9 an average refund of \$1,100; we processed 3.7 million  
10 CalEITC claims for \$713 million; we processed  
11 20.2 million e-file and paper returns; and we processed  
12 10 million payments.

13       Beginning on July 16, 2020, FTB resumed sending  
14 notices. Since the notices are time-sensitive, it is  
15 imperative we send taxpayers their balance due notices.  
16 Staff are available to answer calls and are trained to  
17 listen to the customer and their individual situation to  
18 ensure an excellent customer experience.

19       If customers experience a financial hardship and  
20 are unable to pay, our staff have the authority to  
21 delay, modify, or release levies and garnishments;  
22 establish installment agreement plans for repayment;  
23 allow the customer to skip installment agreement  
24 payments; delay collection on accounts as warranted;  
25 abate penalties when reasonable cause has been

1 demonstrated; provide relief for taxpayers experiencing  
2 a financial hardship; allow for extensions to respond to  
3 audit requests for information, with concurrence from  
4 Audit; and make taxpayers aware of their current tax  
5 year filing and payment delay status.

6 Another area where our efforts have significantly  
7 paid off is our contact centers' level of access to  
8 ensure our customers can reach us during this year's  
9 extended filing season.

10 Our primary contact centers answered 800,000  
11 calls this year, and the access rate was 66 percent. In  
12 addition, our average wait time was just 6.5 minutes.  
13 During the week of July 15th, we experienced an  
14 81 percent level of access.

15 Customer service continues to be our top priority  
16 during these challenging times, as we balance taxpayers'  
17 needs with the health and safety of our employees.  
18 Throughout the pandemic, FTB continues to process tax  
19 returns, issue refunds, and provide phone and live chat  
20 services to individuals and businesses needing  
21 assistance.

22 As Yvonne mentioned earlier in this presentation,  
23 all five FTB Field Office Public Counters were closed in  
24 March of this year to ensure the safety of our staff and  
25 our customers.

1           Just in time for the end of the extended filing  
2 season, we reopened our offices with appointments for  
3 our customers who are able to schedule them via e-mail  
4 or phone contact with us.

5           Since reopening with the appointment process, we  
6 have served over 3500 customers with field office  
7 appointments and received positive feedback from our  
8 customers and our staff.

9           We are currently working towards an automated,  
10 online appointment system that is designed to provide  
11 even better self-service options for our customers.

12           In conclusion, filing season is our prime time  
13 and every single person at FTB shares a collective sigh  
14 of relief at the end of that last day. We all feel the  
15 pressure to make sure we do our very best for California  
16 taxpayers.

17           I would like to thank you for allowing us this  
18 time to share what we have done and continue to do for  
19 the taxpayers of California and for our employees.

20           We appreciate your continued support. You make a  
21 big difference.

22           At this time, we would be happy to answer any  
23 questions or provide additional information.

24           CHAIRPERSON YEE: Thank you, Frank and Yvonne,  
25 for the great presentation on the filing season.

1           Let me just turn to the members to see if there  
2 are any comments or questions.

3           MEMBER VAZQUEZ: Madam Chair, just a comment.

4           CHAIRPERSON YEE: Please. Member Vasquez.

5           MEMBER VASQUEZ: Yes. Actually, thank you,  
6 Yvonne and Frank, for this informative presentation.

7           Again, I would like to just commend FTB for -- in  
8 not only ensuring that the continuity of government is  
9 in place, but, most importantly, keeping the essential  
10 services and resources for our FTB customers. I am  
11 particularly impressed by FTB's proactive approach and  
12 the foresight to implement policies to assist customers  
13 in need of payment modifications, abatement of  
14 penalties, and interest, and the suspensions of various  
15 collection actions.

16           So, once again, just thank you for all your hard  
17 work, because I know these are difficult times. Not  
18 only for you but also for the taxpayers.

19           CHAIRPERSON YEE: Thank you, Member Vasquez.

20           Any other comments?

21           MEMBER CHAMBERLAIN: No, Madam Chair.

22           CHAIRPERSON YEE: Yes. Member Chamberlain.

23           MEMBER CHAMBERLAIN: No. I have no further  
24 comments.

25           CHAIRPERSON YEE: All right. Thank you. I echo

1 Member Vasquez's comments.

2 I did have one question, and I want to be sure  
3 that we're receiving this figure right. But with  
4 respect to the contact center, when you speak about a  
5 66 percent access rate, could you explain that a little  
6 bit further about what that number means, or what the  
7 access rate means?

8 MR. CURCURO: To my knowledge, Chairperson Yee,  
9 that is the number of callers who are able to get  
10 through to a representative at FTB on their first  
11 attempt.

12 CHAIRPERSON YEE: Okay. On the first -- got it.  
13 Great. I know that we approved as we -- (audio  
14 malfunction; unintelligible). Thank you.

15 All right. Let me just turn and see if there are  
16 any members of the public who wish to speak on this  
17 item. This is an informational item. We will first  
18 take public comments from any persons who are at the  
19 Franchise Tax Board.

20 MS. RAMIREZ: For this agenda item, there is not  
21 a member of the public here at Franchise Tax Board who  
22 would like to speak to this item.

23 CHAIRPERSON YEE: Thank you.

24 Next we'll take public comments from anyone on  
25 the teleconference line who wishes to speak on this

1 item.

2 PHONE MODERATOR: As a reminder, you may place  
3 yourself into that audio queue by pressing 1 and 0 at  
4 this time.

5 (No response.)

6 PHONE MODERATOR: And there is no one queuing up  
7 at this time. Please continue.

8 CHAIRPERSON YEE: Great. Thank you very much.  
9 Thank you very much for the presentation.

10 We'll now move on to Item Number 4, which is also  
11 a PowerPoint presentation on the Earned Income Tax  
12 Credit calculator and the Volunteer Income Tax  
13 Assistance Locator. And this will be presented by  
14 Andrew LePage and Robert Silvey. Yes. This is also an  
15 informational item. Andrew and Robert, good afternoon.

16 MR. LePAGE: Hello everyone. Good afternoon,  
17 Chairperson Yee and Board Members. I'm Andrew LePage  
18 for the Public Affairs Office. And with me today is  
19 Robert Silvey from Internet Applications Development at  
20 FTB.

21 We're honored to be here and excited to showcase  
22 some great additions to our external website concerning  
23 the California Earned Income Tax Credit, or CalEITC, for  
24 short, and the Volunteer Income Tax Assistance, or VITA  
25 program.



1 I would like to congratulate everyone -- I would  
2 like to congratulate everyone involved with creating  
3 this program, the Accessible Technology Program, Digital  
4 Services Section, Internet Application Section, Public  
5 Affairs, Legal, and EITC and VITA experts at FTB.

6 First I will provide a brief overview of CalEITC  
7 and its recent expansion. And then Robert will walk you  
8 through using the EITC calculator and VITA locator.

9 CalEITC is a refundable tax credit for those 18  
10 and over, who are earn less than \$30,000 a year and meet  
11 other requirements. The credit, which was created five  
12 years ago, can reduce the tax owed or provide cash back.  
13 CalEITC can be worth hundreds or even thousands of  
14 dollars, depending on the taxpayer's income and number  
15 of children. The goal of the credit is to help lift  
16 lower income, working families out of poverty.

17 Last year, CalEITC expanded -- was expanded to  
18 include the Young Child Tax Credit to help families with  
19 young children. Taxpayers who qualify for CalEITC and  
20 have at least one qualifying child under the age of 6  
21 can get up to a \$1,000 Young Child Tax Credit. This  
22 year that credit has averaged about \$900.

23 If you combine the Young Child Tax Credit and the  
24 federal -- the state EITC, the federal EITC, it can be  
25 worth more than \$8,000 in credits.

1           Of the more than 3.7 million taxpayers who have  
2 received CalEITC credits through August this year,  
3 420,000 also got the Young Child Tax Credit. The total  
4 number of CalEITC credits awarded was up 86 percent from  
5 the same eight-month period last year.

6           The Young Child Tax Credit accounted for about  
7 one-third of the nearly \$1.1 billion the State issued  
8 for both credits combined. That's almost triple the  
9 value of the CalEITC credits issued during the same  
10 period last year.

11           The sharp rise in the number and value of the tax  
12 credits awarded this year reflects several changes to  
13 CalEITC last year, including the following:

14           The addition of the Young Child Tax Credit; an  
15 increase in the maximum qualifying income; and a larger  
16 credit for some taxpayers compared with the prior year.  
17 To receive these credits, you must file your tax return,  
18 as we point out on the main CalEITC webpage on the FTB  
19 website.

20           The team that created the new FTB website tools  
21 had several goals:

22           First, provide a quick way for taxpayers to  
23 estimate any money back from CalEITC or the Young Child  
24 Tax Credit, providing an incentive to file their  
25 returns;

1           Second, give people a clear path to get their  
2 money by linking to CalFile and the new VITA locator;

3           Third, ensure a good user experience by creating  
4 a simple interface and conducting usability testing to  
5 fine tune the applications.

6           The EITC calculator and VITA locator went live at  
7 the end of June this year. During July and August  
8 together, we had more than 4,400 visits to the two apps  
9 combined and about 17,400 visits to the main CalEITC and  
10 VITA webpages.

11           Now I will hand it over to Robert, who will  
12 explain more about these new online tools.

13           MR. SILVEY: Good afternoon. Thank you, Board  
14 Members, for giving this opportunity to showcase these  
15 two exciting new applications we have on our website,  
16 the CalEITC locator -- or calculator and the VITA  
17 locator.

18           We're going to start by showing you our webpage  
19 which demonstrates the information that encourages users  
20 to use our CalEITC calculator to find out what credits  
21 they may be entitled to under CalEITC, the Young Tax  
22 Child Credit, and the federal EITC. And as Andrew  
23 mentioned, this could be thousands in credits, so let's  
24 click on "Estimate My EITC" to continue.

25           The application was written to gather simple

1 entry from the user and provide estimates to --  
2 estimated credits back to them. The first dynamic field  
3 is a language field, and based on the language that they  
4 select, the page will be retranslated into that  
5 language. The language choices are English, Spanish,  
6 Vietnamese, Mandarin, Korean, and Russian. And we will  
7 continue our demonstration in English.

8         The next field asks for them to enter their  
9 earned income they had in the prior year. For our  
10 demonstration, we're going to use an amount of \$10,000.

11         The next field gathers their filing status. It  
12 could be single, filing joint, head of household, and  
13 others, and we're going to use head of household.

14         The next field asks for their qualifying  
15 children. Now, you may ask, and so might the user,  
16 "What is a qualifying child?" Well, right underneath  
17 the field, you can see a help file link that will define  
18 that for them. And for our demonstration, we are going  
19 to use two children.

20         The next field on the page asks them to enter any  
21 other income they may have had, other than earned  
22 income. And for our demonstration, we are going to use  
23 \$0.

24         Next, there are a series of check boxes, and  
25 these are used to establish their U.S. citizenship,

1 California residency, and other filing status  
2 information. And we are going to check all the boxes on  
3 the page to see the maximum effect. So let's see the  
4 results by clicking on "Estimate My EITC."

5         Voila. Look at those credits. And imagine how  
6 beneficial they would be for a family who is struggling  
7 financially in these times. But these are just  
8 estimates and they are only what they could be if they  
9 were to apply for them. So we take the opportunity to  
10 show them how to get started and get their hands on  
11 those credits. And to do this, we put two launch  
12 buttons on the page.

13         Focusing on the second button first, a click on  
14 "File Online" will launch them into FTB's free filing  
15 application called CalFile. On this page, we encourage  
16 them to use CalFile, if they qualify, as a prefiling  
17 source. And this page gives them instructions on how  
18 they may continue to use CalFile.

19         Let's go back to the page for the results and  
20 let's look at the other option.

21         The first button -- focusing on that now -- a  
22 click on "Get Free Help" will launch us into the second  
23 application we're going to demonstrate, which is the  
24 VITA locator.

25         This powerful little application will allow the

1 user to find a location where they can get assistance  
2 for tax filing and tax counseling for the elderly.

3       There are three criteria they can choose from:  
4 City, ZIP, and County. For our demonstration, we are  
5 going to select "County." Then we will enter a value  
6 into the next field. And for our value, for the county,  
7 we are going to use Los Angeles. Now, if the user were  
8 to use a shorter version of that -- like "Los," or they  
9 were to use the first three digits of a ZIP code -- then  
10 they would get a broader search result set that they  
11 could choose from.

12       The last field is optional and it is a language  
13 choice, and this helps them to filter through the  
14 language choice they might want to speak when they get  
15 to that office. There are 16 spoken languages offered  
16 and Sign Language as an alternative as well. And we are  
17 going to leave the default as "English" for now, for our  
18 search. And let's click on "Find Location."

19       You can see a search results that comes up. And  
20 in this set of results, you can see several key pieces  
21 of information: The first being that the dates the  
22 location is open; their address with a map link; whether  
23 or not an appointment is required; and their phone  
24 number. And we're going to click on the map link, the  
25 very first result, to see an interactive map come up.

1           This is an interactive Google map with a pin  
2 stuck in the location of the office that they have  
3 chosen. And if they are on a mobile device with  
4 location services enabled, they can get things like  
5 turn-by-turn directions to that location.

6           And FTB is exploring another dynamic enhancement  
7 to this application, and that would be to add a fourth  
8 criteria to the search to allow them to search for an  
9 office that is closest to them, and it could give them  
10 in proximity to their location those VITA locations that  
11 are nearby.

12           This is an enhancement that we're looking at for  
13 a date yet to be determined.

14           In closing, we would like to thank you for time  
15 and allowing us to present these two exciting new tools  
16 that are located on FTB's website, and we would  
17 question -- we would welcome any questions you might  
18 have at this time.

19           CHAIRPERSON YEE: Great. Thank you very much,  
20 Robert and Andrew.

21           Let me just turn to the members and see if there  
22 are any questions or comments.

23           MEMBER VASQUEZ: Madam Chair.

24           CHAIRPERSON YEE: Yes, Member Vasquez.

25           MEMBER VASQUEZ: Yes. Actually, I have a comment

1 and then just one quick question.

2 First, I will just -- I will open up with my  
3 comment and thanking Andrew and Robert for this great  
4 presentation. This is a great addition to the website.  
5 Not enough people are taking advantage of this credit,  
6 and I hope this will motivate every qualifying  
7 individual and family to take advantage of this  
8 CalEITC -- I guess it's EITC as well as the Young Child  
9 Tax Credit, YCTC.

10 I like how the customer can now go directly to  
11 the FTB site and determine if they qualify for the  
12 CalEITC and the YCTC in realtime. In addition to that,  
13 it gives new information on a credit that a customer may  
14 not have been aware of or to a tax filing service that  
15 is free of charge for those that qualify.

16 I would like to commend the Development Team in  
17 adding this feature. Great job.

18 And my quick question is on the -- as in regards  
19 to the VITA, the V-I-T-A sites, which had been limited,  
20 the locations, you know, obviously due to COVID. And  
21 I'm just wondering, you know, moving forward, it doesn't  
22 look like we're going to get through this thing anytime  
23 soon. So I'm wondering, what, if any -- what this may  
24 look like in the upcoming 2021 filing season.

25 MR. SILVEY: Would your question be, are there --



1 will there be more offices available to be open as we  
2 move into the next tax filing season?

3 MEMBER VASQUEZ: Yes. Given COVID -- you know,  
4 if COVID continues the way it's been going so far.

5 CHAIRPERSON YEE: That relates to the VITA  
6 locations, right?

7 MEMBER VASQUEZ: Yes. Yes. I'm sorry.

8 MR. SILVEY: Yeah. I think there are quite a few  
9 locations that are currently closed due to the  
10 situation, as well as the end of the filing season, the  
11 mainstream filing season.

12 But as we go into the next filing season, more  
13 offices will be open and they will have to follow the  
14 same protocols as the ones that are currently open.

15 MEMBER VASQUEZ: Thank you.

16 CHAIRPERSON YEE: And perhaps during this time,  
17 since the filing season has ended, there could be  
18 some -- hopefully some assessment made about how to  
19 prepare should we still need to practice public health  
20 protocols, about how those locations can ensure the  
21 health and safety not only of the volunteers but  
22 certainly of the taxpayers as well. So we're hopeful --  
23 (audio malfunction; unintelligible).

24 Any other comments or questions from the members?

25 (No response.)

1 CHAIRPERSON YEE: Then let me see if there are  
2 any members of the public who wish to speak on this  
3 agenda item. This is an informational item.

4 First, we will look to see if there's any member  
5 of the public who wishes to make public comment from the  
6 in-person location of the Franchise Tax Board.

7 MS. RAMIREZ: For this agenda item, there is not  
8 a member of the public here, at Franchise Tax Board, who  
9 would like to speak to this item.

10 CHAIRPERSON YEE: Very well. Thank you.

11 Next, we'll see if there are any public comments  
12 from people who are on the teleconference.

13 PHONE MODERATOR: As a reminder, to place  
14 yourself in the queue, you may do so by pressing 1, then  
15 0 at this time on your telephone keypad.

16 (No response.)

17 PHONE MODERATOR: There is no one queuing up at  
18 this time.

19 Please continue.

20 CHAIRPERSON YEE: Thank you very much. Thank you  
21 very much for the presentation, both to Andrew and  
22 Robert.

23 And very excited about these tools, and I know  
24 they have been in development for quite some time. Just  
25 very happy that they are now featured on the Franchise

1 Tax Board website. Thank you.

2 Members, we'll now move on to Item Number 5,  
3 which is -- relates to the FTB's 2021 to 2025 Draft  
4 Strategic Plan. This also is a PowerPoint presentation  
5 that will be presented by Chrissy Casale and Cathy  
6 McCollum. And Chrissy and Cathy, please take it away.

7 MS. CASALE: Good afternoon, Board Members. I'm  
8 Chrissy Casale, the Director of the Planning, Project  
9 Oversight, and Risk Management Bureau at Franchise Tax  
10 Board.

11 We are in the process of updating our strategic  
12 plan for 2021 through 2025 and are excited to share with  
13 you those changes today.

14 As we considered our current environment and  
15 trends, we worked through our Action Committees and  
16 Governance Council and felt that our mission and goals  
17 were still valid but made some modifications to our  
18 underlying strategies. As we put the final touches on  
19 our Strategic Plan 2021-2025, we look to you to ensure  
20 it meets the perspective of our Board members and look  
21 forward to your input at the end of this presentation.

22 I will now turn it over to Cathy McCollum, our  
23 Planning Specialist, who will present our changes.  
24 Thank you.

25 MS. MCCOLLUM: Good afternoon. I'm Cathy

1 McCollum. It's great to be with you here today.  
2 Chrissy told you our objective. I'm going to walk you  
3 through the proposed changes to our current strategic  
4 plan. As Chrissy mentioned, the strategic plan will  
5 carry us all the way to 2025.

6         On the PowerPoint slides, you will see strike-out  
7 language, and that language will show you the edits made  
8 from the prior to the proposed plan. So as Chrissy  
9 mentioned, at the outset of this effort, we knew that  
10 our mission was solid and that it needed no changes to  
11 it, and we knew that our goals were still valid but  
12 likely only needed minor modifications.

13         So the first goal, Goal 1, we have changed from  
14 "Taxpayer-Centric Service" to "Exceptional Service."  
15 This change was made with our customers in mind. FTB  
16 touches so many citizens in so many different  
17 capacities, and we felt it was important to reflect  
18 that.

19         We also changed the goal language to "strive to  
20 continuously enhance our customers' experience." The  
21 strategies remain relatively unchanged with a couple of  
22 small exceptions, so let me point out those exceptions  
23 to you.

24         In Strategy 1.1 we, changed the word "roadmap" to  
25 "solutions." This change reflects that we're well on

1 our way to an exceptional experience for our customers  
2 and driving towards the solutions.

3         Strategy 1.2 remained the same. We still want to  
4 enhance our culture and help our employees help our  
5 customers.

6         In Strategy 1.3, we have changed from "promote"  
7 to "educate," showing that there is likely always a need  
8 to educate our customers. And we changed "self-service  
9 tools" to "multichannel services." This not only  
10 reflects a change to current terminology but, more  
11 importantly, an expansion of the tools available to our  
12 customers.

13         So those are the changes to Goal 1.

14         Moving on to Goal 2, you might recall that five  
15 years ago, we changed the name of this goal from  
16 "Effective Enforcement" to "Effective Compliance." In  
17 that time, FTB softened its approach to enforcement, and  
18 the change to that goal name was a direct reflection of  
19 that change in approach.

20         Again, the goal language remained the same and  
21 relevant. So let me walk you through the changes to the  
22 strategies.

23         For the first strategy, 2.1, we blended the two  
24 former strategies into one and rechanged the word  
25 "approaches" to "campaigns." This change reflects

1 current terminology and also broadens the focus of that  
2 strategy.

3 For Strategy 2.2, improving data knowledge and  
4 sharing with you and our other partners is still  
5 critical, so we made no changes to that strategy.

6 Lastly, for Strategy 2.3, we also blended. We  
7 blended the former fourth and fifth strategies. This  
8 gave the strategy a broader scope. The duration of the  
9 prior strategic plan showed few projects pinpointing  
10 timeliness of compliance. Improving timeliness is  
11 typically an objective in all our program areas,  
12 projects, and efforts. So we felt comfortably blending  
13 those.

14 Goal 3 is our Strong Organization Goal. This  
15 name remains the same, but we modified the goal language  
16 a bit by adding the verb "value," recognizing the  
17 importance of our employees. And we added "enterprise  
18 view" to show the importance and the benefit of  
19 employees seeing the big picture.

20 In Strategy 3.1, we updated it to show continued  
21 effort on our talent management program. We also  
22 changed the verbs to "attract," "develop," and "engage."  
23 Those verbs mirror the language of our talent management  
24 program and services.

25 In Strategy 3.2, we updated the language to show

1 continued focus on engagement and job satisfaction. And  
2 we added diversity and inclusion to reflect the current  
3 environment and the administration's interest in this  
4 topic.

5 FTB has always valued these things, and it's  
6 really nice to see them formalized.

7 Strategy 3.3 we felt was still valid and  
8 relevant. We always want to support an environment of  
9 decision making regardless of level and based upon  
10 expertise and information.

11 And we created two additional strategies under  
12 our Strong Organization goal. The first: "Welcome,  
13 solicit, and value input and ideas from anyone in the  
14 organization." This strategy reflects our belief that  
15 good ideas can come from anywhere.

16 Second, the other new Strategy, 3.5, captures  
17 embracing and leveraging our state's rich diversity and  
18 promoting inclusion for the benefit of everyone.

19 Goal 4 is Operational Excellence. The goal name  
20 stayed the same, but we modified the language by adding  
21 "internal" and "external" as a qualifier to customers.  
22 Again, this reflects our recently expanded role.

23 For Strategy 4.1, we know how important it is,  
24 not to mention how challenging, to consider resources at  
25 the enterprise level and to use metrics to meet business

1 needs. So this strategy remained the same.

2 We kept our data strategy, Number 4.2, and  
3 modified it a bit. We expanded it to show that we  
4 intend to further our data use. We want to use it to  
5 make decisions and improve our operations, and we added  
6 "as authorized" to show our commitment to using data  
7 within our mandates.

8 There's a lot of data -- there's a lot of  
9 attention on data misuse, and we felt it was important  
10 to ensure our customers that we won't use data without  
11 the proper authority.

12 Strategy 4.3 remained the same. We simply  
13 broadened the language.

14 Next, Strategy 4.4 was modified to reflect that  
15 the current environment warrants a stronger information  
16 security presence. We changed from "maintain" to  
17 "protect" and changed the word "taxpayer" to "customer,"  
18 because FTB wants to protect its employees and customers  
19 alike.

20 In Strategy 4.5, we added "modernize."  
21 Standardization of our hardware and software was  
22 important five years ago, when EDR was just getting  
23 started. Now we want to make sure that our systems  
24 remain modernized and will carry us into 2025.

25 Lastly, Strategy 4.6 is a new strategy. FTB



1 wants to ensure the physical security of its campus, its  
2 employees, and its systems.

3 So thank you all so much, Chairperson Yee and  
4 Members. It's been a pleasure presenting to you today.

5 Do you have any comments or questions, we would  
6 be glad to answer them now.

7 CHAIRPERSON YEE: Thank you, Cathy and Chrissy  
8 very much. Let me just turn to the members to see if  
9 there are any comments or questions.

10 Member Vasquez.

11 MEMBER VASQUEZ: Just a quick comment, Madam  
12 Chair.

13 CHAIRPERSON YEE: Please.

14 MEMBER VASQUEZ: Once again, I just wanted to  
15 thank Ms. Casale and Ms. McCollum for their thorough  
16 presentation.

17 It's worth noting that no matter how wonderful  
18 and top rate the FTB is on customer service, quality of  
19 life of its workers, and the efficiencies in its  
20 processes, FTB continues to improve on a platform that  
21 works. That is self-evident here.

22 One can see the strategic plan as perfect, or no  
23 substantial change is needed here, but FTB continues to  
24 have the foresight to determine the necessary word and  
25 language changes that positively impacts the direction

1 of the agency and its workers. I see transparency. I  
2 see inclusivity. I see -- most importantly, I see the  
3 sensitivity of the need to adapt and the change in  
4 growing public scrutiny. Seeing that FTB is willing to  
5 adapt to the changing times is an indication that I hope  
6 will raise the public trust and sentiment in our  
7 government. And I just want to thank you for your  
8 presentation again.

9 MS. McCOLLUM: Our pleasure. Thank you for those  
10 kind words.

11 CHAIRPERSON YEE: Thank you, Member Vasquez.

12 Any other comment?

13 Let me just also add that I think the experience  
14 of the past six months for all state government agencies  
15 has certainly informed how we look at our strategies and  
16 goals going forward. I think this particular update  
17 really does capture all of that.

18 I particularly want to just applaud the emphasis  
19 on leveraging our -- and modernizing our IT systems and  
20 really having them be available and accessible to just  
21 optimize all of the operations of our organization.

22 And then, also, the idea that, particularly  
23 during times when we are seeing our team and employees,  
24 many teleworking, many in different locations. But  
25 there is really this spirit of trying to encourage

1 participation by our employees at all levels with  
2 respect to how we look that the -- using our operations  
3 (audio malfunction; unintelligible). So really  
4 appreciate the emphasis on just the inclusive workforce  
5 and inclusive workplace.

6           Seeing no other comments from Board members, let  
7 me see if there are any members of the public who wish  
8 to speak on this item. We will first take public  
9 comments from those in person at the Franchise Tax  
10 Board.

11           MS. RAMIREZ: For this agenda item, there is not  
12 a member of the public here at the Franchise Tax Board  
13 who would like to speak on this item.

14           CHAIRPERSON YEE: Thank you very much.

15           Next we will take any public comments from people  
16 who are on the teleconference.

17           PHONE MODERATOR: As a reminder, you may put  
18 yourself in the queue by pressing 1 and then 0 at this  
19 time.

20           (No response.)

21           PHONE MODERATOR: There is no one queuing up at  
22 this time. Please continue.

23           CHAIRPERSON YEE: Thank you very much.

24           Thank you again for the presentation. I very  
25 much appreciate it.

1           Members, next we will move on to Item Number 6.  
2 This is a Legislative Update, and this will be presented  
3 by Annette Kunze and also will include a PowerPoint  
4 presentation and this is an informational item.

5           Good afternoon, Annette.

6           MS. KUNZE: Good afternoon. Good afternoon,  
7 Madam Chair and Members. It's very nice to be with you  
8 today.

9           And over the next few minutes I would like to  
10 give a quick update on some legislative items. My name  
11 is Annette Kunze, and I'm the Legislative Director for  
12 the Franchise Tax Board.

13           The topics I will cover today include an overview  
14 of the legislative year and some differences we observed  
15 with COVID. I will also share highlights on bill  
16 activities, such as enrolled bills and other bills of  
17 interest, including Board-sponsored legislative  
18 proposals.

19           I will talk a little bit about the redesign of  
20 our annual conformity report and briefly share  
21 information on two upcoming legislative stakeholder  
22 meetings.

23           First, I would like to share what we observed  
24 with this legislative session. This was the second year  
25 of a two-year session, and during March, of course,

1 COVID-19 came into play, and like with many other  
2 things, COVID-19 also impacted the legislative process.

3 Some items we observed this year were compressed  
4 sessions with fewer committee hearings, and bills were  
5 prioritized generally with the focus in relation to the  
6 budget, COVID relief, and homelessness.

7 There was a different format for testimony,  
8 either by telephone or in a separate room. For example,  
9 I provided testimony through the telephone while working  
10 remotely, a very different paradigm for an FTB  
11 Legislative Director. We also saw some unique ideas  
12 presented as the Legislature and many other leaders  
13 tried to address some unprecedented issues.

14 Now, turning to some specific bills of interest,  
15 several -- several bills have been enrolled for  
16 presentation to the Governor or actually have been  
17 signed as well. I will share further information on  
18 some of these below.

19 AB 107 would require that FTB, in consultation  
20 with the Treasurer and the Department of Finance, to  
21 develop a comprehensive plan or a tax voucher program to  
22 be considered by the Legislature.

23 AB 1577 and AB 276 have both been signed, and  
24 these bills enacted conformity to certain provisions of  
25 the federal CARES Act.

1 AB 1577 relates to loans under the Payment  
2 Protection Program and exclusion of that forgiveness  
3 income.

4 And AB 276 relates to retirement loans and  
5 distributions.

6 AB 1876, which was just signed today, proposes  
7 further expansion of CalEITC -- that was talked about  
8 earlier -- to taxpayers with individual taxpayer  
9 identification numbers, also known as ITINs, that  
10 otherwise meet EITC requirements. Earlier this year, an  
11 expansion was acted to those ITIN filers with at least  
12 one child under 6, so this further expands that.

13 AB 2257 and AB 323 relate to AB 5. AB 2257 has  
14 been signed. And these generally provide for exclusions  
15 for different occupations and industries such as  
16 newspaper carriers, photographers, writers, and others.

17 AB 2660 would allow a nonresident group return to  
18 be filed on behalf of electing nonresident aliens  
19 receiving California-sourced income.

20 SB 1409 relates to the completion of an EITC  
21 study to identify possible ways to increase  
22 participation in the EITC at the state and federal  
23 level. FTB would be required to report its analysis and  
24 plan to the Legislature by January 1, 2022.

25 SB 1447 has also been signed and enacts a new

1 hiring credit for small businesses where taxpayers apply  
2 to the California Department of Tax and Fee  
3 Administration to reserve a credit allocation, which can  
4 then be claimed against sales tax or income tax under an  
5 irrevocable election by the taxpayer.

6 We also saw some tax-related trailer bills  
7 enacted this past summer: AB 85 and AB 93. AB 85 did  
8 several things. Among other things, it provided a  
9 first-year exemption for the annual tax for limited  
10 partnerships, limited liability companies, and limited  
11 liability partnerships, similar to what corporations  
12 have today.

13 It also contained net operating loss suspension  
14 provisions for three years for certain taxpayers and  
15 enacted a \$5 million credit limitation against tax  
16 liability.

17 AB 93 modified the Cal EITC to allow limited use  
18 of ITINS by eligible individuals for those having at  
19 least one qualifying child under 6 years old, which I  
20 briefly mentioned earlier, and now AB 1876 further  
21 expands that.

22 I'm happy to report that several of our  
23 Board-sponsored legislative proposals made it into bills  
24 this year and were enrolled, and one was even signed.

25 Assembly Bill 3372, AB 2247, and Senate Bill 934.

1 AB 3372 was sponsored by the Committee on Revenue and  
2 Taxation and contains two Board-sponsored proposals, one  
3 relating to water's-edge taxpayers, and the other  
4 provides an option for electronic service of withholding  
5 orders.

6 AB 2247 provides a method for taxpayers entitled  
7 to claim the dependent exemption credit to continue to  
8 do so and that some ITINS are expiring -- are no longer  
9 being issued at the federal level. This bill would  
10 allow FTB to provide an alternative identification  
11 method for those taxpayers to use in these situations.

12 Senate Bill 934 was signed and will remove the  
13 exempt organization application and filing fees,  
14 resulting in a more streamlined process, which will  
15 assist both the department and exempt organizations.

16 Internally, we are also currently preparing new  
17 legislative proposals ideas for your consideration in  
18 the December Board meeting.

19 We thank you for your continued support on our  
20 ideas, which is an essential piece of our journey, and,  
21 of course, we thank all of the sponsoring authors who  
22 have introduced these ideas into bills.

23 Now, for a couple other items of interest I would  
24 like to share:

25 The first is an effort we have taken related to



1 our annual conformity report. Each year, FTB is  
2 required to submit a report to the Legislature on  
3 changes enacted into the Internal Revenue Code in the  
4 prior year. To the extent possible, the report also  
5 includes an estimate of the revenue effect of conforming  
6 to these changes. The report is referred to as a  
7 Summary of Federal Income Tax Changes. In addition to  
8 providing it to the Legislature, we also post on our  
9 public website for others to use and reference.

10 The FTB has prepared the report for many years,  
11 and over the years, it's expanded to several hundred  
12 pages. As such, we found continuing the report in its  
13 current format is not sustainable.

14 To address this, FTB has started a project to  
15 redesign the conformity report to make sure the  
16 information in the report is concise, accurate, and  
17 helpful to our stakeholders. As part of this process,  
18 we wanted to ensure our users are still able to get the  
19 essential elements that they need while streamlining the  
20 report process.

21 Recently, we had the opportunity to ask several  
22 users and stakeholders for input. For example, we  
23 asked, "Where do you go to get your conformity  
24 information? What types of decisions do you make with  
25 FTB's report? And which parts -- for example, sections,

1 headings, and exhibits -- do you reference or use the  
2 most?"

3 We then previewed a prototype that we've been  
4 building in partnership with our internal web experts,  
5 which did, in fact, seem to capture a lot of the  
6 thoughts that the group shared. So it seemed like we  
7 were on the right track.

8 Overall, the session was very productive, and we  
9 genuinely appreciated the users taking the time to share  
10 their thoughts.

11 Lastly, I also wanted to let you know, we are  
12 planning some stakeholder meetings for the fall,  
13 specifically in November. We're currently in the  
14 planning phases for our legislative proposal stakeholder  
15 meeting and our conformity stakeholder meeting. Both of  
16 these will be virtual meetings and our team is busy with  
17 those preparations and we will have more information to  
18 follow.

19 We also plan to share the newly redesigned  
20 conformity report at the November conformity stakeholder  
21 meeting.

22 Thank you for your time today and, at this point,  
23 I would be happy to take any questions.

24 CHAIRPERSON YEE: Thank you very much, Annette,  
25 for that comprehensive report.

1           Let me just turn to the members to see if there  
2 are any comments or questions.

3           MEMBER VASQUEZ: Yes, Madam Chair. Just a quick  
4 question: Actually more of a comment, really.

5           CHAIRPERSON YEE: Yes.

6           MEMBER VASQUEZ: First of all, thank you,  
7 Annette, for your presentation. And I'm just thinking,  
8 as we wind down, you know, for the later part of this  
9 year, I certainly hope that FTB and the Legislature  
10 continue to work to benefit the working families that  
11 count on us to be their voice in this difficult time.

12           When we come out of this pandemic, I hope we  
13 continue to see that Californians are vulnerable to  
14 homelessness and poverty more than ever and that we  
15 should be sensitive to their needs and be open to the  
16 opportunities for new legislation that can protect  
17 taxpayers' rights, not just in the present moment but in  
18 the years ahead. I hope and look forward to any  
19 legislation increasing the CalEITC maximum income  
20 requirement for working families in the high cost living  
21 cities like Los Angeles.

22           In the prior meeting, I brought out my concern  
23 that maximum income requirements to qualify for CalEITC  
24 is too low for families living in large cities. Even  
25 though the maximum increased to \$30,000 for 2019, it's

1 still for a worker with three or more independents  
2 [sic], especially one trying to make ends meet in Los  
3 Angeles, San Francisco, or San Diego.

4 The federal EITC allows the same worker up to  
5 \$50,000 for single and \$55,000 for married filing  
6 jointly. In this case, CalEITC appears to favor workers  
7 living in areas with lower costs of living, holding down  
8 one job, when, in reality, a lot of working families out  
9 there need two or three jobs to make ends meet.

10 With this in mind, I hope the maximum you could  
11 qualify for the CalEITC can be made to match the maximum  
12 income required for the federal EITC.

13 I also hope and look forward -- look for  
14 increased participation in the VITA, the V-I-T-A, and  
15 CalEITC so that we can capture the maximum number of  
16 qualified individuals and families that can qualify for  
17 the service and credit that we offer.

18 Thank you.

19 CHAIRPERSON YEE: Thank you, Member Vasquez.  
20 Very good points.

21 And let me just add that I know the  
22 administration has some focus on this. I have the honor  
23 of serving on the Governor's Future of Work Commission,  
24 and there's a lot of emphasis of the Earned Income Tax  
25 Credit in terms of the role that we can play with regard

1 to workers who are transitioning from job to job and  
2 also looking at maybe having the credit serve a greater  
3 purpose.

4 But you raise a point with respect to just the  
5 complexion of working poverty, really looking very, very  
6 different today in California, particularly in some of  
7 the high cost areas in the state, where working families  
8 are working very hard, multiple jobs, and still unable  
9 to meet some of their basic needs. So I appreciate the  
10 point.

11 Any other comments on this item?

12 I need --

13 MEMBER CHAMBERLAIN: Yes, ma'am.

14 CHAIRPERSON YEE: Oh, I'm sorry. Yes, please,  
15 Member Chamberlain.

16 MEMBER CHAMBERLAIN: Yeah. I just want to take  
17 this moment to acknowledge that this has been a  
18 compressed legislative session. It's been both the  
19 limited time and the -- and the additional issues that  
20 have to be worked.

21 And so I want to thank Annette and her team as  
22 well as other staff at FTB and the economic research --  
23 Economic Statistical Research Bureau and the Legal  
24 Division for providing just excellent service, really  
25 stepping up, working, really, around the clock to help

1 out in this -- in this unique situation. So I want to  
2 thank you.

3 CHAIRPERSON YEE: Thank you, Member Chamberlain.  
4 Really --

5 MS. KUNZE: Thank you very much.

6 CHAIRPERSON YEE: Thank you, Annette.

7 I was just going to do the same, and it really  
8 was an all-enterprise effort, I have to say, when you  
9 look at the breadth of the issues that came before the  
10 Legislature in this session. So not only Annette's  
11 team, but certainly members of our legal team. Jeanne  
12 Harriman, I know, was called into a number of these  
13 issues.

14 So very, very grateful for the staff team really  
15 being available and providing, you know, just the  
16 analysis.

17 And one thing I do want to say, with respect to  
18 some of the legislation. I know that we are doing --  
19 all of us are doing our best with respect to just trying  
20 to handle the economic situation as a result of the  
21 pandemic and also the pandemic recession. But I know  
22 one of the things that I will be looking to, as we look  
23 at these legislative proposals, is just being sure that  
24 our core functions are not -- you know, our systems are  
25 great. We have been able to leverage them. We have

1 been able to modernize them, but there are limits.

2 And I think when they start to impinge on the  
3 core functions of the Franchise Tax Board, I think it  
4 will be very hopeful about just expressing some of those  
5 concerns (audio malfunction; unintelligible). Can't  
6 find ourselves in that situation.

7 Annette, I did have a question with regard to one  
8 of the bills. If you don't have the answer, that's  
9 fine. But AB 107, which was one of the trailer bills, I  
10 believe.

11 MS. KUNZE: Yes.

12 CHAIRPERSON YEE: Okay. That creates a tax  
13 voucher program. Now -- or the Tax Voucher Act. It  
14 doesn't actually create a program; is that correct? It  
15 actually calls for a plan?

16 MS. KUNZE: Yes, that's correct. It calls for a  
17 plan in -- FTB, in consultation with the Treasurer and  
18 Department of Finance to prepare a plan to present to  
19 the Legislature by March of next year.

20 CHAIRPERSON YEE: Okay. All right. Very good.  
21 Thank you.

22 Appreciate the time for the thoughtfulness in  
23 terms of how a program like this can work.

24 So we'll definitely be engaged (audio  
25 malfunction; unintelligible).

1           Okay. Very well.

2           Seeing no other comments from members, let me see  
3 if there are any members of the public who wish to speak  
4 on this item. Again, this is an informational item, and  
5 we will first take public comments from those who are in  
6 person at the Franchise Tax Board.

7           MS. RAMIREZ: For this agenda item, there is not  
8 a member of the public here, at the Franchise Tax Board  
9 who would like to speak on this agenda item.

10          CHAIRPERSON YEE: Thank you.

11          Next we will take any public comments from those  
12 on our teleconference.

13          PHONE MODERATOR: As a reminder, you may place  
14 yourself in the queue for public comment by pressing 1,  
15 then 0, on your telephone keypad at this time.

16          (No response.)

17          PHONE MODERATOR: There is no one queuing up at  
18 this time. Please continue.

19          CHAIRPERSON YEE: Thank you very much.

20          Thank you very much again, Annette, for that  
21 really wonderful presentation.

22          MS. KUNZE: Thank you very much.

23          CHAIRPERSON YEE: Thank you.

24          We will now move on to Item Number 7. Item  
25 Number 7 is Administrative Matters.



1           We will have Jeanne Harriman present the  
2 2021-2022 Budget Change Proposals. This is an action  
3 item for Board approval. Excuse me. And then Yvonne  
4 Olson will be presenting the contracts over \$1 million  
5 also as an action item for Board approval.

6           And I believe, Member Chamberlain, you will not  
7 be participating in these.

8           Thank you.

9           MS. HARRIMAN: Good afternoon. My name is Jeanne  
10 Harriman. I am the Chief Financial Officer at Franchise  
11 Tax Board. Thank you for the time today, and I hope you  
12 are staying safe. I am here today to present the fiscal  
13 BCPs for 2021-22 for your approval.

14           We would like to note that while FTB is very much  
15 aware of these challenging economic times, we do believe  
16 it is important to ensure that you understand any  
17 resource constraints that we have, as well as take steps  
18 to ensure that we remain in compliance with state and  
19 federal requirements.

20           To this effect, we look forward to partnering  
21 with you to address these issues.

22           With your permission, I will provide a brief  
23 overview of each of these three proposals, and then we  
24 will be happy to answer any questions that you have.

25           The first proposal is an Enterprise Data to

1 Revenue Project, Phase 2, or most commonly known as  
2 EDR2. This proposal requests \$73 million including 23  
3 permanent and 13 limited-term positions.

4 To set the stage for this request, in 2008, FTB  
5 began a multiphase Tax System Modernization effort aimed  
6 at modernizing our systems. This effort was over a  
7 period of 30 years and broken into three distinct  
8 phases. EDR2 is, as you might guess, Phase 2, and is  
9 scheduled to start July 1st of 2021.

10 FTB completed Phase 1 of EDR in June of 2016.  
11 That effort laid the foundation for centralizing  
12 technology solutions across key supporting functions  
13 within our organization. EDR2 builds on this platform  
14 and expands the enterprise case management and modeling  
15 services to our Audit, Filing Enforcement, and Account  
16 Receivable efforts, as well as expanding on customer  
17 service tools, including the taxpayer folder most  
18 commonly known as MyFTB.

19 This proposal includes resources that are  
20 necessary for the following activities to ensure the  
21 first year of the project is successful: Developing  
22 detailed requirements; engaging in organizational change  
23 management; ensuring our systems and processes are  
24 documented; allowing for the implementation activities  
25 to begin; and the funding of internal, as well as

1 external, consultants that might help us with this  
2 project for oversights and controls, and, of course,  
3 vendor compensation.

4 The second proposal that FTB is presenting today  
5 for your approval deals with our privacy and security  
6 assessments. This requests \$1.7 million with 12  
7 permanent positions and ongoing costs as relevant.  
8 These resources are required to perform new mandated  
9 workloads within FTB's Privacy and Security Divisions.

10 As a result of our work, you are well aware that  
11 FTB has an extensive amount of personal information that  
12 we hold near and dear to our heart and do everything we  
13 possibly can to ensure that this data is protected and  
14 Californians are otherwise not harmed with our access  
15 and ownership of this data.

16 These requirements -- excuse me. In the last 12  
17 months, three significant new federal and state programs  
18 and mandates have been issued or adopted that have  
19 changed and enhanced security requirements for  
20 safeguarding this personal information.

21 These requirements include enhancements to our  
22 various programs that exist today, as well as the  
23 requirements of three new additional documents, these  
24 documents being called Privacy Threshold Assessments,  
25 Privacy Impact Assessments, and System Security Plans.

1 These workloads expand the existing framework that we  
2 have, and these resources are necessary to ensure that  
3 we can meet these important mandates.

4 The third proposal being presented for your  
5 approval deals with the Political Reform Audit Program  
6 that FTB conducts. We're requesting \$2 million with 11  
7 permanent and three three-year limited-term positions.

8 Over the years, the Political Reform Audit  
9 Program has continued to increase in both complexity, as  
10 additional disclosure and filing requirements are  
11 enacted, contribution limits are changed, and audit  
12 verification steps are adopted or mandated.

13 As a result of the increase in the size and  
14 complexity of these audits, FTB is currently unable to  
15 meet this mandate as far as audits performed. These  
16 resources requested will allow us to meet that mandate.

17 These are the three Budget Change Proposals we  
18 are presenting for your approval today. Thank you again  
19 very much for your time, and I'm happy to answer any  
20 questions that you may have.

21 CHAIRPERSON YEE: Thank you very much, Jeanne.

22 Let me just go ahead and -- I'm going to separate  
23 these two items, just to take questions from members  
24 about any -- on any of these BCPs first.

25 So any comments or questions? Member Vasquez,

1 anything here?

2 MEMBER VASQUEZ: No. I mean, I was looking  
3 through it. But I mean, it's pretty intense. But at  
4 the end of the day, it looks like it was pretty well  
5 thought out, and I think we're okay. I mean, I'm  
6 comfortable with it, moving forward.

7 CHAIRPERSON YEE: Okay. Very well.

8 Jeanne, I just had one question, and that is on  
9 the privacy assessments. These are federally mandated  
10 assessments, right?

11 MS. HARRIMAN: They are a little bit of both.

12 CHAIRPERSON YEE: Okay.

13 MS. HARRIMAN: So the primary driver of this  
14 resource needs are, in fact, state mandates that were  
15 issued most recently by the Department of Technology.

16 CHAIRPERSON YEE: Got it.

17 MS. HARRIMAN: There is some -- 1075, which we're  
18 all near and dear and familiar with in regards to  
19 federal security requirements.

20 CHAIRPERSON YEE: Right. Right. Okay. Very  
21 well. Thank you.

22 MS. HARRIMAN: Thank you.

23 CHAIRPERSON YEE: All right. So let me take  
24 action on this first; Member Chamberlain not  
25 participating in these matters.

1 Is there a motion on the three BCPs?

2 MEMBER VASQUEZ: So moved, Madam Chair.

3 CHAIRPERSON YEE: Okay. We have a motion by  
4 Member Vasquez. I will second that motion.

5 Without objection, noting Member Chamberlain not  
6 participating, such will be the order.

7 And then --

8 MS. HARRIMAN: Thank you very much.

9 CHAIRPERSON YEE: Thank you, Jeanne, very much --

10 MS. HARRIMAN: Thank you.

11 CHAIRPERSON YEE: -- for bringing this forward.

12 Next, Yvonne Olson, do you want to go ahead and  
13 present the contract? Yvonne, are you --

14 MS. OLSON: Good afternoon, Board Members.

15 CHAIRPERSON YEE: Great. Thank you.

16 MS. OLSON: It's a pleasure to be here today. My  
17 apologies.

18 My name is Yvonne Olson and I'm the Section  
19 Manager of the Franchise Tax Board Procurement Bureau,  
20 and I am here today to request the Board's approval to  
21 renew our subscription and support agreement for IBM  
22 software products.

23 We are requesting your approval because, without  
24 this agreement, several of our mission-critical  
25 applications, including our Accounts Receivable,

1 Collection, and Case Management Systems, would be  
2 unavailable, which would limit our ability to process  
3 tax returns and serve taxpayers.

4 The current agreement will expire on  
5 December 31st, 2020, and the estimated one-year renewal  
6 is \$11 million. If approved, we will work with the  
7 Department of Technology on conducting the bid.

8 At this point, I would be happy to answer any  
9 questions you may have regarding the proposed contract.

10 CHAIRPERSON YEE: Thank you very much, Yvonne.

11 Any members have questions or comments on this  
12 item?

13 MEMBER VASQUEZ: No questions here.

14 CHAIRPERSON YEE: Okay. Thank you.

15 And I apologize. I neglected to ask for a public  
16 comment on the prior item, which were the three Budget  
17 Change Proposals.

18 Let me just go back to see if there were any  
19 public comments and we need to change any of our  
20 actions.

21 Let's see if there were -- are there any members  
22 of the public wishing to speak on the Budget Change  
23 Proposals among those in person at the Franchise Tax  
24 Board?

25 MS. RAMIREZ: No. For that agenda item, there

1 was no member of the public here at Franchise Tax Board  
2 wishing to speak.

3 CHAIRPERSON YEE: Great. Thank you.

4 And then, any members of the public on the  
5 teleconference line who wishes to speak on Item Number 7  
6 regarding the three Budget Change Proposals?

7 PHONE MODERATOR: You may put yourself in queue  
8 for Item Number 7 by pressing 1, then 0 at this time.

9 (No response.)

10 PHONE MODERATOR: And there is no one queuing up  
11 at this time. Please continue.

12 CHAIRPERSON YEE: Okay. Great. Thank you very  
13 much.

14 We now are -- have before us the contract over a  
15 million dollars for the -- of the Software Subscription  
16 and Support Renewal. Let me see if there are any  
17 members of the public who wishes to speak on this item?  
18 At the Franchise Tax Board?

19 MS. RAMIREZ: No. No member of the public at the  
20 Franchise Tax Board wishes to speak on this item.

21 CHAIRPERSON YEE: Thank you.

22 How about for any of those on the teleconference  
23 line who wish to speak on this item?

24 PHONE MODERATOR: You may put yourself into queue  
25 by pressing 1, then 0, at this time.



1 (No response.)

2 PHONE MODERATOR: There is no one in the queue at  
3 this time.

4 CHAIRPERSON YEE: Thank you very much.

5 Is there a motion for approval of the contracts  
6 over a million dollars?

7 MEMBER VASQUEZ: So moved, Madam Chair.

8 CHAIRPERSON YEE: Okay. A motion by Member  
9 Vasquez.

10 MEMBER CHAMBERLAIN: Second that motion.

11 CHAIRPERSON YEE: Okay. Second by Member  
12 Chamberlain.

13 Without objection, such will be the order. That  
14 contract is approved. Thank you very much.

15 MS. OLSON: Thank you.

16 CHAIRPERSON YEE: Thank you.

17 Let's see. Our next item is Item Number 7 and  
18 this is the Executive Officer's Time.

19 And Selvi, I will turn it to you.

20 EXECUTIVE OFFICER STANISLAUS: Thank you, Madam  
21 Chair, and good afternoon, Board Members.

22 I first want to thank our staff who, once again,  
23 worked tirelessly to put this Board meeting together.  
24 They worked countless hours to ensure this virtual board  
25 meeting is a success.

1           For my time today, I would like to give kudos to  
2 my FTB family and recognize the great service they  
3 continue to provide our customers during these  
4 challenging times.

5           As you know, many Californians have been affected  
6 by the ongoing wildfire spread across the state. As a  
7 result of the fires, Cal OES requested agency partners  
8 to provide help at Local Assistance Centers. These  
9 centers provide critical government services for  
10 residents who have been impacted by the fires.

11           Volunteers from FTB completed the required  
12 Wildfire Smoke Protection Training in order to provide  
13 assistance to wildfire survivors. I'm extremely proud  
14 of our FTB volunteers who assisted a total of 358  
15 survivors in person, thus far, at Local Assistance  
16 Centers.

17           In addition, we also sent requested disaster  
18 relief materials to virtual Local Assistance Centers  
19 across the state. Wildfire survivors shared how truly  
20 grateful they were for the support and resources that  
21 FTB provided at these sites.

22           Also, in an effort to provide relief to our  
23 taxpayers, FTB implemented a 30-day suspension of bills  
24 and notices for the counties affected by the  
25 Governor-declared state of emergency spurred by the

1 fires.

2           So now, when I think about my FTB family and all  
3 we have had to endure this year, there's one word that  
4 comes to mind: Resilient. Given the many challenges  
5 brought on by the pandemic, our employees have had to  
6 quickly adapt to a new lifestyle and a new way of  
7 thinking: A new lifestyle of wearing masks, social  
8 distancing, ever-changing safety protocols, and virtual  
9 meetings and discussions, just like this one. None of  
10 this has been easy. On top of that, many employees also  
11 have children at home who are now beginning social and  
12 distance learning.

13           What has amazed me is the ability for our nearly  
14 6,000 employees to be ready for anything that comes  
15 their way and adapt to work and lifestyle changes. And  
16 what's even more impressive is that they have done this  
17 all, without missing a beat, during these unprecedented  
18 times.

19           Despite the many challenges they have faced,  
20 whether wildfires or the ongoing pandemic, our employees  
21 continue to provide our customers throughout the state  
22 with the best possible excellent customer service care.  
23 I can honestly say that I have never been more -- I have  
24 never seen a more dedicated group, a more resilient  
25 group in all of my governmental experience.

1           So as always, we value the perspective and  
2 experiences that our entire Board brings to the table.  
3 FTB's success, despite countless obstacles this year, is  
4 due largely to the outstanding leadership that each of  
5 you, our Board, has provided.

6           I especially want to thank our Chair, the  
7 Honorable Betty Yee. The Controller has been  
8 instrumental in guiding FTB during these difficult  
9 times. So whether it's your valued input on a key issue  
10 or just a simple phone call or e-mail to see how  
11 everything is going, Board Members, your continued  
12 support during these challenging times has been  
13 invaluable, not only to me, but to all of FTB. And I  
14 just want to express how much your support and  
15 leadership means to us.

16           In closing, I want to personally thank each and  
17 every one of the Board members and all of the attendees  
18 for joining us today.

19           Thank you for your time.

20           CHAIRPERSON YEE: Thank you very much, Selvi.  
21 And definitely want to just add on my thanks to the FTB  
22 team members who really have -- truly have not missed a  
23 beat. And I know we have had to just follow a lot of  
24 things that have been beyond our control, including the  
25 potential movement of the filing and payment deadline.

1 And so just having to be nimble and flexible at every  
2 turn. Just so, so appreciative, and at the same time,  
3 and always keeping the health and safety of our  
4 employees paramount.

5 Thank you.

6 Let me just see if there are any members of the  
7 public who wish to speak during this time. Let me see  
8 if there are any in person at the Franchise Tax Board  
9 who wish to speak on this item?

10 MS. RAMIREZ: For this agenda item, there is no  
11 member of the public here at Franchise Tax Board who  
12 would like to speak on this item.

13 CHAIRPERSON YEE: Thank you.

14 How about public comments from those on the  
15 teleconference line?

16 PHONE MODERATOR: Once again, it's 1, then 0, to  
17 place yourself in the queue.

18 (No response.)

19 PHONE MODERATOR: There is no one queuing up at  
20 this time.

21 CHAIRPERSON YEE: Thank you very much.

22 Thank you very much, Selvi, for the report.

23 Members, we'll now move to Item Number 8, and  
24 this is Board Members' Time.

25 And the highlight of our time this afternoon is

1 another bittersweet moment when we have the privilege of  
2 presenting a resolution to Christine Sexton on the  
3 occasion of her retirement. And I say "bittersweet"  
4 because we know that these are just beloved members of  
5 our team who have just dedicated just so much of their  
6 career to serving the people of the state of California.

7 Christine is the Bureau Director of our Filing  
8 Division, who has really served with distinction in  
9 terms of her tenure with the State of California for  
10 more than 31 years.

11 She began her dedicated service to taxpayers in  
12 1992, back when Bill Clinton was elected President; when  
13 Microsoft launched Windows 3.1; and when Jay Leno  
14 debuted as host of "The Tonight Show." So just a walk  
15 down memory lane. A lot has changed since we started.

16 But what really hasn't changed, and what I know  
17 everyone acknowledges about Christine at the Franchise  
18 Tax Board is her vigor and her tenacity to ignite  
19 change. And so this is someone who has probably  
20 reengineered almost every business activity at the FTB.  
21 She is someone who is just unflappable; doesn't allow  
22 her feathers to get ruffled.

23 And we know part -- that probably comes from  
24 being a very avid birdwatcher and a bird lover. So we  
25 hope that she has the opportunity to do more of that,

1 and certainly her participation and leadership with  
2 Capitol City Bird Society.

3 But what I want to say about Christine is, you  
4 know, these are the public servants who really lead  
5 organizations like the Franchise Tax Board to be able to  
6 do and continue to serve the people of the State of  
7 California during the best of times and, certainly, in  
8 the most unpleasant of times.

9 And, you know, during this time especially,  
10 Christine, I just want to say congratulations on your  
11 retirement, but also just being a great example and  
12 model of what a leader looks like; and is always someone  
13 who is looking to make improvements, someone who does it  
14 with just such grace, and certainly someone who also  
15 just leads by example with everything that you do.

16 So on behalf of the Board on this 18th day of  
17 September 2020, we recognize and thank you, on the  
18 occasion of your retirement, for your professional and  
19 personal dedication to the Franchise Tax Board and, most  
20 importantly, to the people of the State of California.  
21 Congratulations.

22 MS. SEXTON: Thank you. Good afternoon, Madam  
23 Chair and Board Members. Thank you very much for your  
24 leadership, especially during these unprecedented times.

25 It has been a great honor to serve the State of

1 California over the years and a privilege to spend the  
2 majority of my career here at FTB.

3 I would like to thank Selvi and the Executive  
4 Team for making FTB the employer of choice.

5 I have seen many changes over the years, but one  
6 thing that has stood the test of time is FTB's culture.  
7 I have learned that regardless of the challenges that  
8 came our way, we always tackled them together to achieve  
9 the results that we can all be proud of.

10 Thank you for allowing me to be part of this  
11 journey. Thank you to my wonderful colleagues and staff  
12 that I have worked with over the years. You are all  
13 truly extraordinary people. Keep up the world-class  
14 work that you are doing, and I'm sure that you will.

15 And lastly, I wish you all the very best and  
16 continued success for this great state.

17 Thank you so much.

18 CHAIRPERSON YEE: Thank you, Christine, very  
19 much.

20 MS. SEXTON: Thank you.

21 CHAIRPERSON YEE: Let me turn it to Members of  
22 the Board for any comment.

23 MEMBER VASQUEZ: Yeah. Just -- I -- you know, I  
24 didn't really get a chance to interact much with you,  
25 Christine. But I have heard a lot of good things about



1 you, and Selvi is always talking very highly of you.  
2 And it sounds like you must have started at a very early  
3 age with us, because you still look very young.

4 MS. SEXTON: Well, thank you.

5 MEMBER VASQUEZ: Thank you, Member Vasquez.

6 Any other comments?

7 CHAIRPERSON YEE: Christine, best wishes for a  
8 healthy and robust retirement.

9 MS. SEXTON: Thank you very much. Thank you.

10 CHAIRPERSON YEE: Members, are there any other  
11 items that you wish to bring forward during Board  
12 Members' Time? Comments?

13 MEMBER VASQUEZ: No, Madam Chair.

14 CHAIRPERSON YEE: Thank you.

15 Let me just say, again, thank you to the  
16 Franchise Tax Board team.

17 I also want to pay tribute to those on the front  
18 lines that are doing just everything within their --  
19 within their power to just battle these wildfires. It  
20 looks like we are getting some relief in some areas.

21 But this is a time that we have all been stepping  
22 up to support them, and just can't say enough about  
23 their sheer will and determination and stamina to just  
24 keep us all safe and our properties safe as well. And  
25 of course our hearts go out to those who have lost loved

1 ones and homes during this really difficult time.

2 Let me see if there are any members of the public  
3 who wish to speak on this item. Let me see. Anyone on  
4 site at the Franchise Tax Board, to speak during Board  
5 Member Time?

6 MS. RAMIREZ: There is no member of the public  
7 here at the Franchise Tax Board who would like to speak  
8 at this time.

9 CHAIRPERSON YEE: Okay. Are there any members of  
10 the public on the teleconference line who wishes to  
11 speak?

12 PHONE MODERATOR: You may put yourself in the  
13 queue by pressing 1 and then 0 at this time.

14 (No response.)

15 PHONE MODERATOR: There is no one in queue at  
16 this time.

17 CHAIRPERSON YEE: Thank you very much.

18 All right. Any other matters to come before the  
19 Board?

20 Yes. Member Vasquez, please.

21 MEMBER VASQUEZ: Yes, just Madam Chair. I was  
22 just wondering -- I know you have acknowledged, you  
23 know, obviously the lives that we've been losing, not  
24 only to COVID, but to the wildfires.

25 But I was wondering if would be also appropriate

1 to just kind of commemorate the lives lost, you know, at  
2 9/11. I know it's a little bit off, but it just  
3 happened last week, the -- I guess it's the 19th year.  
4 I didn't realize it's been 19 years.

5 CHAIRPERSON YEE: Yes. Yes.

6 MEMBER VASQUEZ: And all the folks that we lost,  
7 you know, in this tragic devastation that took place  
8 back in -- well, 9/11. But, you know, especially those  
9 that were in the air -- the airlines, the flight. I  
10 guess it was Flight 175, Flight 98, Flight 11, and  
11 Flight 77. And I just wanted to remind people of that.  
12 You know, it's -- while it's almost been 20 years, it  
13 seems like it was just yesterday.

14 CHAIRPERSON YEE: Thank you, Member Vasquez. And  
15 thank you for bringing that forward. Of course never to  
16 be forgotten and always (audio malfunction;  
17 unintelligible) their honor.

18 Any other matters to come before the Board?

19 (No response.)

20 CHAIRPERSON YEE: Hearing none, this meeting is  
21 adjourned. Thank you, Members, very much, and stay  
22 safe, everyone.

23 MEMBER VASQUEZ: Thank you, Madam Chair.

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CHAIRPERSON YEE: Thank you.

EXECUTIVE OFFICER STANISLAUS: Thank you.

(Proceedings concluded at 3:02 p.m.)

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1 CERTIFICATE OF REPORTER

2  
3 I, KATHRYN S. SWANK, a Certified Shorthand Reporter  
4 of the State of California, do hereby certify:

5 That I am a disinterested person herein; that the  
6 foregoing proceedings were reported in shorthand by me,  
7 Kathryn S. Swank, a Certified Shorthand Reporter of the  
8 State of California, and thereafter transcribed into  
9 typewriting.

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

14 IN WITNESS WHEREOF, I have hereunto set my hand  
15 this 2nd day of October 2020.

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20 /s/ Kathryn S. Swank  
21 KATHRYN S. SWANK, CSR  
22 Certified Shorthand Reporter  
23 License No. 13061  
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