

FRANCHISE TAX BOARD MEETING

June 3, 2021

(PENDING BOARD APPROVAL)

The Franchise Tax Board virtually met in open session at 1:30 p.m. at the Franchise Tax Board, 9646 Butterfield Way, in Sacramento, California. Present were Controller Betty T. Yee (via video conference), Deputy Controller Yvette Stowers (via video conference), Hon. Antonio Vazquez (via video conference), and Deputy Member Jay Chamberlain (via video conference), Department of Finance, for Member Bosler.

Franchise Tax Board Staff Participating:

Selvi Stanislaus, Jozel Brunett, Shane Hofeling, Dawn Casey, Cristina Rubalcava, Ann Wilson, Raymond Rouse, Cherrie Hayes, Roman Fuentes, Thi Luong, Michael Banuelos, Katie Frank, Rafael Zaychenko

Agenda item 9 Petitioners:

Robert Johnson, Esq., Glen Jewell, Andy Micheletti, Derrick Walsh

Others Participating:

Christine Grab

Item 1. – Approval of Minutes

The minutes of the March 4, 2021 Franchise Tax Board meeting were approved 3-0.

Item 2. – 2020 Accomplishments

The Board received a PowerPoint presentation on the FTB's 2020 Accomplishments.

Item 3. – 2020 Awards

The Board received a PowerPoint presentation on the FTB's 2020 employee award recipients.

Item 4. – Filing Season Update

The Board received a PowerPoint presentation on the filing season update.

Item 5. – Regulation Matter

The Board received a staff report on Regulation Section 18001-1, Other State Tax Credit, and voted 3-0 to approve the staff request to proceed with the formal regulatory process.

Item 6. – Administration Matters

- A. The Board received a staff report on the following conceptual 2022-23 Budget Change Proposals:
1. Enterprise Data to Revenue (EDR2) – Phase 2
 2. Accessibility Enhancements for Web and Form Products
 3. Identity Proofing and Online Fraud Detection
 4. Infrastructure Project Refresh
 5. Enterprise Storage & Fiber Channel Switch Refresh

6. Fi\$Cal
7. Political Reform Audits
8. Section 41 Workload Expansion
9. Increasing Litigation Costs
10. Microsoft Enterprise License Agreement
11. Central Office Campus: Data Center Upgrades

B. Contracts Over \$1 Million

1. Microsoft Contract
2. Software AG

The Board voted 3-0 to approve the contracts.

Item 7. – Executive Officer’s Time

Selvi Stanislaus thanked her FTB family for all their great work during this pandemic. She also thanked the Board Members for their support with the EDR2 project, stating that we are on track with the start of this project, which will begin on July 1st. She will continue to give the Board updates on the progress of the EDR2 project.

Item 8. – Board Members' Time

Chairperson Yee acknowledged the many Californians struggling this year, and the importance for outreach and assistance in working with the public to participate in many of the benefits and relief that are available to them. Chairperson Yee also congratulated Dawn Casey for her excellent work as our Board Liaison and welcomed Cristina Rubalcava as the new Board Liaison.

Item 9. 25137 Petition Hearing – Axos Financial

The Board heard from Robert Johnson, Esq., representing the Petitioner, Axos Financial and from Glen Jewell, Andy Micheletti, and Derrick Walsh on behalf of Axos Financial.

Katie Frank and Rafael Zaychenko represented the Department.

The Board voted unanimously (3-0) to deny the petition.

And so, with that, Chairperson Yee adjourned the meeting at 4:54 p.m.

Board Liaison

Date