



STATE OF CALIFORNIA
Franchise Tax Board

05.23.2022

To: Selvi Stanislaus
From: Michael A. Banuelos

Subject: Board Approval for Contracts Exceeding \$1 Million

Memorandum

This memorandum provides information for your notification to the Board pursuant to the Board's resolution requiring approval for purchases exceeding \$1 million.

COBOL Programmers

This request seeks approval to enter into a contract for Common Business-Oriented Language (COBOL) programming services. These services are required to support the mission-critical Business Entities Tax System (BETS), a highly complex system which is increasingly difficult to deliver on-time mandatory changes. The use of contracted services will ensure FTB maintains critical workloads. FTB estimates a three-year contract in the amount of \$2.8 million for three full-time equivalent positions.

Interagency Agreement with the California Department of Community Services and Development

This request seeks approval to enter into an Interagency Agreement (IA) with the California Department of Community Services and Development (CSD). \$10 million is allocated in the proposed 2022-23 budget for outreach to educate and encourage taxpayers to claim the California Earned Income Tax Credit (CalEITC). The total estimated cost of the agreement is \$10.6 million, which includes \$10 million distributed to non-profit grantees for education and outreach, and \$600,000 for CSD's operational costs during the 2022-23 fiscal year.

Your approval will support modifications to this contract consistent with any final grant funds awarded in the enacted 2022-23 budget should grant funding change during ongoing budget discussions.

Please contact me at (916) 845-6110 should you have any questions regarding any of the above items.

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