## INDEX

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Session</td>
<td>5</td>
</tr>
<tr>
<td>Pledge of Allegiance</td>
<td>6</td>
</tr>
<tr>
<td>Item 1. Approval of Minutes</td>
<td>6</td>
</tr>
<tr>
<td>Minutes of the December 8, 2022 FTB Board Meeting and Taxpayers' Bill of Rights Hearing</td>
<td></td>
</tr>
<tr>
<td>Item 2. Administrative Matters</td>
<td>8</td>
</tr>
<tr>
<td>A. 2023/24 Spring Finance Letters</td>
<td>8</td>
</tr>
<tr>
<td>1. Customer Service Resources</td>
<td></td>
</tr>
<tr>
<td>2. IBM Enterprise Licensing Agreement</td>
<td></td>
</tr>
<tr>
<td>B. Out-of-state Travel Blanket</td>
<td>11</td>
</tr>
<tr>
<td>Item 3. FTB 2022 Accomplishments Video</td>
<td>18</td>
</tr>
<tr>
<td>Item 4. EDR2 Update</td>
<td>23</td>
</tr>
<tr>
<td>Item 5. Workforce Succession Planning at FTB</td>
<td>37</td>
</tr>
<tr>
<td>Item 6. Executive Officer's Time</td>
<td>46</td>
</tr>
<tr>
<td>Item 7. Board Members' Time</td>
<td>53</td>
</tr>
<tr>
<td>Adjournment</td>
<td>69</td>
</tr>
<tr>
<td>Reporter's Certificate</td>
<td>70</td>
</tr>
<tr>
<td>Errata Sheet</td>
<td>71</td>
</tr>
</tbody>
</table>

---o0o---
APPEARANCES

BOARD MEMBERS

MALIA M. COHEN
State Controller
(Chairperson of the Board)

HASIB EMRAN
Deputy State Controller, Taxation

ANTONIO VAZQUEZ
Chairperson
Board of Equalization

GAYLE MILLER
Chief Deputy Director of Policy
Department of Finance

---o0o---

STAFF

SELVI STANISLAUS
Executive Director

CRISTINA RUBALCAVA
Board Liaison

JOZEL L. BRUNETT
Chief Counsel

SHANE HOFELING
Deputy Chief Counsel

SARA BRYANT

THI LUONG

JOSE OROZCO

JENNIFER ROUSSEL

MICHELLE SMITH

BRENDA VOET

---o0o---
APPEARANCES CONTINUED

PUBLIC PARTICIPANTS

MAGGIE VOET

---o0o---
SACRAMENTO, CALIFORNIA
TUESDAY, MARCH 28, 2023, 1:41 P.M.

---o0o---

CHAIRPERSON COHEN: Good afternoon, ladies and gentlemen and welcome to "Club FTB." Did you like that jazzy music? What a wonderful way to set the tone. This is the regularly scheduled time for the Franchise Tax Board.

Would the Board Liaison please call the roll to determine if a quorum is present.

MS. RUBALCAVA: Good afternoon.
Member Vazquez.
MEMBER VAZQUEZ: Present.
MS. RUBALCAVA: Member Miller.
MEMBER MILLER: Present.
MS. RUBALCAVA: And Chair-Controller Malia M. Cohen.

CHAIRPERSON COHEN: Present. You can just say "Malia."

Okay. At least two members or their designated representatives being personally present, there's a quorum of the Franchise Tax Board. We are now in session.

Please stand and join me by placing your right hand over your heart and repeating after me, stating the
Pledge of Allegiance.

(Pledge of Allegiance was recited in unison.)

CHAIRPERSON COHEN: Okay, ladies and gentlemen.

Good afternoon. Welcome to the Franchise Tax Board's meeting.

The public has a right to comment on each agenda item. If there are any members of the public wishing to speak on an item, please come forward when that item is called, and you will have three minutes to address the Board. For today's meeting, members of the public who wish to comment via teleconference, please call (877) 226-8189, and enter the access code of 8457217. Please be aware that there are short delays between the live -- between the web live stream and the live event. If there are any members of the public wishing to speak on an item, and you are using a translator or translator service, you will have six minutes to address the Board. All speakers will be asked to identify yourself for the record.

The first item, Members, is the approval of the minutes. We have the minutes of the December 8th, 2022, board meeting.

Members, are there any comments or questions?

(No response.)

CHAIRPERSON COHEN: Are there any members of the
public wishing to speak on this item in person or on the 
teleconference line?

(No response.)

CHAIRPERSON COHEN: All right. Seeing that there 
is no public comment, and seeing that there are no 
comments from my colleagues, may I have a motion for 
approval of the minutes?

MEMBER MILLER: Move approval, Madam Chair.

Gayle Miller.

CHAIRPERSON COHEN: Thank you very much, 
Ms. Miller. It's been moved.

Is there a second?

MEMBER VAZQUEZ: I will second it, but I will be 
abstaining, if that's all right.

CHAIRPERSON COHEN: Okay. You are going to be 
abstaining. Then I will second.

And without objection, that will be the Board's 
order.

Let's call for the approval of the minutes.

MS. RUBALCAVA: Member Vazquez.

MEMBER VAZQUEZ: Abstain.

MS. RUBALCAVA: Member Cohen.

CHAIRPERSON COHEN: Aye.

MS. RUBALCAVA: Member Miller.

MEMBER MILLER: Aye.
CHAIRPERSON COHEN: All right. Great. Thank you very much. Motion passes.

Next the Item 2, Administrative Matters. We have Thi -- excuse me. Thi Luong presenting the 2023/24 Spring Finance Letters and Out-of-State Travel Blanket for Board approval.

Thi.

MS. LUONG: My name is Thi Luong, the Director of the Financial Management Bureau here at FTB. I'm here today to present the FTB's two fiscal year 2023/24 Spring Finance Letters for your approval.

First is the customer service resources. This proposal requests $6.95 million in fiscal year 23/24 to fund 53 positions and upgrades across FTB's customer service channels. And positions can either be permanent or limited-term, as noted within the proposal.

These positions and upgrades will enable the department to effectively serve taxpayers and tax professionals and to provide information needed to meet tax filing and payment obligations.

Over the past decade, FTB has deployed numerous website applications and tools for self-service. While these tools have been well-received and are heavily utilized, we find that taxpayers and tax professionals still desire a high level of personal service and
continue to contact FTB through calls, correspondence, and chats.

FTB's current staffing levels are inadequate to handle the high volume of contacts, leading to undesirable levels of access and frustrated taxpayers, who cannot get help when needed to meet their tax obligations.

When taxpayers and tax professionals are not served timely, compliance and revenue can be delayed as taxpayers will move from the voluntary collection cycle to the involuntarily compliance cycle, which is more costly for FTB to administer.

In addition to inadequate staffing levels, the contact center is also experiencing negative impacts, such as high attrition rates, due to classifications lacking upward mobility among contact center agents and technical center experts.

The requested upgrades will help FTB increase productivity and retain valuable subject matter knowledge and expertise to better serve customers.

The additional staffing and funding will stabilize the contact center for normal operations and allow the department to pivot as quickly as possible for unexpected events.

Our second proposal, the IBM Microsoft Licensing
Agreement renewal, requests $1.83 million in fiscal year 23/24 and ongoing to establish a fully-funded permanent baseline budget to continue existing licensing and support for existing mainframe software that allows FTB to keep its mission-critical applications running.

FTB's mainframe is essential to our critical accounting and noticing systems and is relied upon by all tax processing systems.

The most economical way for FTB to secure mainframe licensing and tools is through a multiyear contract through the California Department of Technology. FTB's current baseline for this service is $2.4 million annually. The new contract is priced at $4.2 million in fiscal year 23/24, with an incremental increase the following year.

FTB's current budget allocation is not able to absorb this ongoing increase without impacting existing business operations. This augmentation ensures FTB can fund the contract increases for the mainframe software that is needed for FTB to process tax returns, payments, refunds, and to engage in compliance activities.

Thank you for your time. Happy to take questions you may have.

CHAIRPERSON COHEN: Great. I actually have one question for you.
I was wondering if you could give me an estimate of the costs of the 2023/24 out-of-state travel blanket based on prior years' practices.

MS. LUONG: Sure. Do we want to move on to the out-of-state travel --

CHAIRPERSON COHEN: I'm sorry. Yes.

MS. LUONG: Okay.

CHAIRPERSON COHEN: I'm getting ahead of myself.

MS. LUONG: Okay. So an estimate of the cost for the out-of-state cost for the blanket. So for FTB -- are you asking for the total cost?

CHAIRPERSON COHEN: Yes, please.

MS. LUONG: Yes. The total cost is about $2.4 million.

CHAIRPERSON COHEN: Okay.

Let's go to -- does that conclude your presentation?

MS. LUONG: Yes, ma'am.

Did -- okay. Do you want me to do the script for the out-of-state travel?

CHAIRPERSON COHEN: Yes, please.

MS. LUONG: Okay. Great.

So the second item I'm seeking your approval is for FTB's 23/24 out-of-state travel blanket, as required under Board Resolution 2022-02. This resolution
requests out-of-state travel that exceeds a hundred thousand, and is for a purpose other than travel, related to work on audit and case-specific representation, such as legal and collection activities, and certain mission-critical activities to be annually approved by the Board.

FTB's out-of-state travel is largely for Audit and Legal staff to conduct audits or legal activities. In addition to these essential activities, FTB staff may also travel for other critical activities, such as relevant training that cannot be obtained within California or in support of case investigation activities.

In all instances, FTB limits travel only to states where travel is allowed. For fiscal year 23/24, FTB would like permission to exceed the hundred thousand and obtain approval for up to $174,500. Of this, $147,500 is for planned travel and $27,000 is for contingencies as necessary.

The contingency amount is needed in the event that staff need to travel out-of-state unexpectedly, and it will be supported by an individual trip request approved via the statewide process.

For context, in fiscal year 22/23, the amount requested for board approval was up to $153,000. Please
note, this request is not for a budget increase, just
for approval to use the existing budget for certain
mission-critical activities.

Thank you. That's the presentation. Happy to
take questions.

CHAIRPERSON COHEN: All right. Thank you.

Let's see if colleagues, do you have any
questions? Ms. Miller?

(No response.)

CHAIRPERSON COHEN: No question? Okay.

MEMBER MILLER: No questions, Madam Chair.

I will only note that I will be abstaining --
excuse me. I'm going to be abstaining on the items
related to the Finance Letters, the Spring Finance
Letters, just not to presuppose any action by the
Franchise Tax Board.

But I'm happy to move the out-of-state travel
when appropriate.

CHAIRPERSON COHEN: All right. Thank you very
much, Ms. Miller.

MEMBER MILLER: Thank you.

MEMBER VAZQUEZ: Just a quick question.

Can you give us, like, an example? I know you
mentioned you have a contingency. What would -- what
would fall under a contingency, as an example?
MS. LUONG: Sure. Thank you for the question.

So what -- just for -- just as a way of background when, we asked for the add-more Board approval, typically it's for travel, as I mentioned, for out-of-state travel or perhaps investigation activities.

So as much as possible, we try to plan in advance. But in instances where something unexpectedly comes up, and we're exceeding the budget for investigation, where we partner with other federal and state officials, that's where it would come in.

As noted, if that is the case, all of this would be approved via the statewide trip request process, which goes to our agency as well as the Governor's Office for approval.

MEMBER VAZQUEZ: I'm assuming this has happened in the past.

MS. LUONG: It has.

MEMBER VAZQUEZ: So can you cite an example? Like, let's say what you did last year or two years ago.

MS. LUONG: Yeah. Thank you for the question.

It has happened in the past, and that's where we got the $27,000, because that's the average of the last five fiscal years when we had this.

Prior to the Board Resolution 2222-02 [sic], there were certain other categories that were considered...
falling within the admin. So in those cases, there could be a critical security patch that needs to be implemented in our field office. In that case, it's something that is unplanned but definitely needs to be taken care of in order to meet security practice.

MEMBER VAZQUEZ: Thank you.

MS. LUONG: Thank you for the question.

CHAIRPERSON COHEN: All right. Well, let's go to see if there's any members of the public. We will open it up to the folks that are in this auditorium and then we will go to the teleconference line.

Are there any members of the public that would like to speak on this item at this time?

(No response.)

CHAIRPERSON COHEN: All right. Seeing none, let's go to the teleconference line. Open it up. See if there's any public comment.

PHONE MODERATOR: Members of the public on the phone lines, if you would like to place yourself in the queue for public comment, as a reminder, you may press 1, then 0, at this time.

(No response.)

PHONE MODERATOR: No members of the public are queuing up at this time.

Please continue.
CHAIRPERSON COHEN: Thank you very much.

All right. Thank you, Members.

Is there a motion on the 2023/24 Spring Finance Letters?

MEMBER VAZQUEZ: So moved.

CHAIRPERSON COHEN: All right. Thank you.

I will second that.

Is there a roll call vote?

MS. RUBALCAVA: Member Vazquez.

MEMBER VAZQUEZ: Aye.

MS. RUBALCAVA: Controller Cohen.

CHAIRPERSON COHEN: Aye.

MS. RUBALCAVA: And Member Miller.

MEMBER MILLER: I will abstain, please.

CHAIRPERSON COHEN: Great. Thank you. This motion passes.

All right. Next, Thi, will you please present the out-of-state travel blanket for approval.

MS. LUONG: Yes, ma'am. Would you like me to present the out-of-state travel again?

CHAIRPERSON COHEN: Well, you know -- I'm sorry. My apologies. We were taking them separate. Normally I would have taken it up together.

So what I think we could do now is we will go to public comment for the out-of-state travel blanket for
approval. I will look to those that are in the
auditorium.

(No response.)

CHAIRPERSON COHEN: Okay. Seeing none, let's go
online.

(No response.)

CHAIRPERSON COHEN: All right. Hearing none.

Thank you.

And I assume you don't have any questions?

MEMBER VAZQUEZ: I'm good.

CHAIRPERSON COHEN: All right. How about a
motion?

MEMBER VAZQUEZ: So moved.

CHAIRPERSON COHEN: All right. Thank you.

MEMBER MILLER: I will second, Madam Chair.

Sorry for that confusion.

CHAIRPERSON COHEN: That's okay. Thank you very
much.

A motion has been made by Member Vazquez; it's
been seconded by Member Miller.

Please call the roll.

MS. RUBALCAVA: Member Vazquez.

MEMBER VAZQUEZ: Aye.

MS. RUBALCAVA: Controller Cohen.

CHAIRPERSON COHEN: Aye.
MS. RUBALCAVA: Member Miller.

MEMBER MILLER: Aye.

CHAIRPERSON COHEN: Great. This motion passes.

Item 3. Item 3 will be a video presentation of FTB's 2022 accomplishments. This is a staff report.

MS. BRYANT: Good afternoon. My name is Sara Bryant, and I'm Section Manager in the Administrative Services Division of FTB.

I'm excited to be here today, as I have the pleasure of sharing with you the department's accomplishments during the 2022 year. This year's accomplishments are exceptional, not because of what we accomplished, but how we came together with the common goal and met each challenge of bringing our best.

Over the next few minutes, I will be highlighting activities that show FTB's commitment to our FTB family and to serving the taxpayers of California.

To help facilitate the changes for FTB as we move to an intentional hybrid workforce, we created the "Forward Together, Our New Era" team.

The goal of the team was to address recommendations and implement ideas on how to make the transition -- transition easier for everyone, while keeping FTB safe and operational.

In 2022, the team led efforts to thank in-office
workers and celebration of staff with the "Good to Be Together Again" campaign. This included communication on topics including office etiquette using the CARE method, which is Consideration, Awareness, Respect, and Empathy; considerations for virtual and in-person meetings; and building a stronger FTB community.

Our Mission and Values Team have been honored to sponsor the third Multicultural and Arts Fair. The Franchise Tax Board is a diverse community, and the Multicultural Food and Arts Fair is a great opportunity to share and learn about other cultures. The fair consisted of a recipe book and video. The Mission and Values Team teamed up with the Diversity, Equity, and Inclusion Team to make the fair a grand success.

It wouldn't be a highlight -- highlight reel if we didn't talk about a successful filing season. 2022 was no exception, with 23 million tax returns processed; 14.2 million personal income tax refunds issued; $1.79 billion in fraud refund saved; and over 1 million contacts answered via phone and live chat.

2022's accomplishments show just how our teams continue to support a strong organization in an ever-changing work environment.

Please enjoy this year's accomplishment video.

(Video presentation.)

KATHRYN S. SWANK, CSR  (916) 390-7731
CHAIRPERSON COHEN: Wow. That was fantastic.

MS. BRYANT: Right? Thank you so much for watching.

I would be happy to answer any questions you may have.

CHAIRPERSON COHEN: That was amazing.

Let me see. Do you have any questions? Yes?

MEMBER VAZQUEZ: More of a comment. Just wanted to thank you for this presentation. It was real helpful. Because you hear -- you know, you always hear on the other side -- at least in our office -- people complaining about the process. And I know, given the times, especially with COVID and now, you know, where folks throughout the state are suffering, you know, with this inflation. Everything -- prices of everything seems to be shooting up. And it looks like you are doing the best you can and, as a matter of fact, improving the situation to hopefully getting these folks, those that have a return coming back, as quick as possible.

So I'm sure it's greatly appreciated by, I'm sure, all of us here and especially those in the -- in the state that are waiting for their returns.

Thank you.

CHAIRPERSON COHEN: Ms. Miller, is there anything
that you wanted to say?

(No response.)

CHAIRPERSON COHEN: Okay. I just want to give you the highest compliment. I mean, this is just incredible, Selvi. You have a great organization. The presentation was fantastic, with a nice jazzy beat again. I loved everything.

I think it's very impressive, the number of Californians that you are serving.

Also, noting that this was during a pandemic, during heavy rainfall, during mudslides, and just overall unpredictable an environment, work environment.

And so thank you very much for this presentation. The information was easy to digest. It's been not an easy task, navigating through all of the rainstorms and the snowfall. And it's important that we remember that we are serving and we are representing government and that we are serving Californians.

So these accomplishments indicate that FTB still remains ready to bring "A" game at any -- at a moment's notice. And so please let me extend my heartiest thank-you to all of the good work that your team has put together.

I have one question about communications and outreach: What steps is FTB taking to promote and to
share 2022 accomplishments with the general public? You have quite a production team. Do you have a podcast going? I would subscribe. I would listen. But I'm like that.

But, you know, how are you getting this information out to the -- to the larger public?

And my second portion of it, of the question, is, is FTB leveraging social media channels or other informational platforms?

MS. BRYANT: Great question.

I don't think we have a podcast yet.

CHAIRPERSON COHEN: Okay.

MS. BRYANT: But good idea.

I do know that we use social media: Facebook; we also use LinkedIn; and other sites for recruitment and things like that.

But, Shane, you might have additional information on those.

MR. HOFELING: That was a great answer, Sara.

Yeah. So we utilize most social media --

Twitter, everything that we can do to try to get the message out, to as many people as possible. Especially anything that provides disaster assistance, so, that way, no matter what network you are on, we will get the information to you.
CHAIRPERSON COHEN: Perfect. I know we follow you and we amplify what you post up, everything from recruiting to CalEITC informational sessions. So let's keep up the good work.

Seeing that there are no other questions, let's go to public comment. If there's anyone in the auditorium today that would like to make public comment, please come on up.

(No response.)

CHAIRPERSON COHEN: All right. Seeing none, let's go online to check to see if there's anyone online, that would like to make public comment.

PHONE MODERATOR: Members of the public on the phone lines, if you would like to place yourself in the queue for public comment, as a reminder, you may press 1, then 0, at this time.

(No response.)

PHONE MODERATOR: No members of the public are queuing up at this time.

Please continue.

CHAIRPERSON COHEN: All right. Thank you. I think this is just an informational.

Thank you, Sara. I appreciate the presentation.

All right. Next is Item 4, the EDR2 Update presentation. We have got Jose Orozco and Jennifer
Roussel presenting. This is a staff report.

MS. ROUSSEL: Good afternoon, Madam Chair and Members of the Board. My name is Jennifer Roussel, the EDR2 Business Director with FTB. And with me today is Jose Orozco, the EDR2 Technology Director.

Today we will provide an informational update on the Enterprise Data to Revenue project, also known as EDR2. The last update that we provided was in December of 2021.

We are very pleased to report that the project is within budget, within scope, and on track to complete implementation as planned.

I will touch very briefly on the background of the project before we provide the update.

We are in the second phase of FTB's tax systems modernization plan. Phase 1, known as EDR1, was completed in 2015. The project implemented our foundational systems, including case management, taxpayer folder, and MyFTB.

Phase 2, EDR2, which is our current project. The implementation phase started on July 1st of 2021. And the primary focus of the EDR2 project is to move our aging Audit, Collections, and Filings Enforcement systems on to the Enterprise systems that were created in EDR1.
Phase 3, which is EDR3, will focus on replacing our aging accounting systems. Planning for EDR3 is scheduled to start in 2026.

There are four primary areas of functionality for EDR2. With case management, we bring the Audit, Legal, Collections, and Filing Enforcement Compliance programs on to the Enterprise Case Management platform, allowing us to retire several legacy systems that are currently supporting those programs. The new case management system will increase automation and efficiencies, freeing up staff to respond to the more complex customer contacts.

With the EDR2 modeling solution, we are creating new and enhanced expert and analytic models to improve case selection and help taxpayers meet their tax obligations. Our modeling capabilities include using the use of new third-party data sources, additional data from state and federal tax returns, and historical data.

With the use of analytic models, we are introducing artificial intelligence and machine learning into our processes. The information provided by the analytic models help us to make informed and improve our decision -- important decisions and improve our decision-making process. But it does not replace our business rules that have been designed with FTB staff.
and in partnership with our Solution Partner Team.

Later in the presentation, we will share a bit more about how we are implementing these technologies with the utmost care over time.

With the data visualization solution, we expand our current reporting and dashboarding capabilities. It allows users to self-serve and create their own data visualizations, allowing easy and fast access to data to meet -- that's needed to make our decisions.

EDR2 also offers numerous taxpayer self-service options, and I will touch on just a few today.

We will enhance our online Installment Agreement Service, allowing customers to resolve their installment agreement changes on their own, without talking to a customer service agent or waiting for a response.

Customers who may have a compliance issue will be able to correct tax return information or respond to compliance issues through new self-service options, without having to speak to a customer service agent or wait for a response through the mail.

We also plan to expand self-services to trusts and withholding agents.

And we will provide customers with the option to transition from one service channel to another. For example, a customer may start with calling our phone
line and learn they could resolve the issue easily online through a self-service. The customer can receive a text with a link to the online service.

Jose will now share when the functionality of those five -- four primary areas will be implemented throughout the life of the project.

MR. OROZCO: Thank you, Jennifer.

Before we started implementing functionality in the four primary areas that Jennifer described, we first implemented several early initiatives during the first year of the project. These early initiatives allowed us to test new technologies we are using throughout the project, and it also helped us to bring more taxpayers into compliance.

From September '21 through June '22 -- excuse me, June 2022, we implemented new analytic models to improve both personal income tax, or PIT, audit and filing enforcement case selection. This was our first introduction into using our new modeling capabilities, including the use of machine learning and artificial intelligence.

This -- these new and improved models have resulted in identifying cases that will most likely result in helping taxpayers comply and meet their tax obligations. Early indications show a likely

KATHRYN S. SWANK, CSR (916) 390-7731
improvement in the percentage of cases we work that will result in an assessment.

In addition, the early initiatives have helped confirm the viability of the new modeling technologies and techniques. We are introducing the models in a manner and pace that allow us to make improvements and address unforeseen issues easily and quickly. This reduces the risk of negative impacts to both FTB's operations and taxpayers.

We have also introduced new data sources for collections. These new data sources are in the form of information reported to FTB by individuals or businesses that pay taxpayers for services or report income-related investments. This data is associated with taxpayers with past due liabilities. These new data sources can be used by our collectors to help resolve collections cases, especially those cases where the taxpayer is not a wage earner.

And we have a new payer file, also known as the manager asset and income solution. This solution provides our collections program with more pursuable information that can be used for both automated and manual collections activities. It also will eventually be used by our Filing Enforcement Program to identify income records. The solution has more data sources,
also known as income records, and the solution has more -- excuse me. Also known as income records and improve matching to taxpayers to this data, increasing revenue and self-staff productivity. And it is the first step towards replacing FTB's aging collection system.

In 2022, we began to release new functionality in the four primary areas that Jennifer mentioned.

In 2022, we implemented the new PIT audit selection pilot. This solution is the starting point to select cases for audit. It is also the starting point for cases that will be managed through the new case management system.

In 2023, we introduced the new case management system to a small PIT paraprofessional audit team in February of this year. This functionality will be expanded to the remaining PIT audit workloads and users later this year. The functionality will include the entire PIT audit workload through protests, including protests handled by our Legal Division.

So far, we have introduced new self-services for PIT taxpayers, including enhancements to MyFTB, a new service that allows customers to respond to an audit notice online, and automatic speech recognition for three of our call centers, which includes liens,
exempts, and bankruptcy. A customer can now call and use their voice to navigate the phone system.

The new PIT audit case management solution will bring new data visualizations to help manage and measure the workloads, and we start capturing additional federal and state return data for modeling.

You will notice a pattern for the next three years. Every year, we add new workloads to the case management platform, and those workloads will receive new modeling capabilities and self-services to help taxpayers comply and meet their tax obligations efficiently.

In 2024, we focus on Pass Through Entity and Business Entity Audit, also known as PTE and BE Audit, and PIT collections. PTE and BE Audit and PIT collections move to the case management system. We implement new self-services, deploy new data visualizations and models for those workloads.

We will continue to capture more tax return data for modeling, make updates to our return analysis system, and implement our new Enterprise Knowledge Library, which will provide taxpayers with information available for self-services and self-help content.

In 2025, we focus on BE Collections and PIT Filing Enforcement, also known as PIT FE. BE
Collections and PIT Filing Enforcement move to the case management system. We implement new self-services and deploy new data visualizations and models for those workloads. We also implement the new return analysis analytic models.

Finally, in 2026, we focus on BE Filing Enforcement, also known as BE FE. New BE FE moves to the case management system, we implement new self-services, and we deploy new data visualizations and new models for the BE FE workloads.

As with any project of this size, we had a robust risk and management process. We would like to report that over the first 20 months of the project, we have only encountered three major risks, of which, one was escalated to a project issue.

We are thankful and happy to report that our solution partner has fully been engaged and has closely partnered with FTB to mitigate these risks and resolve the project issue quickly, with no impact to the overall project cost, scope, or planned completion date.

We look forward to providing you future updates on the progress of the EDR2 project over the next three years. We would like to thank you for all your support on this very important project.

We would be happy to answer questions -- any
questions you may have.

CHAIRPERSON COHEN: Great. Thank you very much.

I do have a few questions, about five of them.

MR. OROZCO: Okay.

CHAIRPERSON COHEN: So first, thank you for the informative information and exciting update on EDR2.

This is something that I remember hearing when I was -- when I was in Mr. Vazquez's position, as Chair of the Board of Equalization in 2021. So it's good to see that it's continuing to move forward and it's moving in the right direction.

Question: First, for taxpayers whose language is not English -- first language is not English -- how are we -- will there be different language options available to fully access this system?

MR. OROZCO: So our phone system is being designed to support additional languages.

CHAIRPERSON COHEN: Okay.

MR. OROZCO: To date, I know that we do support Spanish.

And Shane, do you know if there's plans to support additional languages through our phone system?

MR. HOFELING: I don't. But we can get that information for you.

CHAIRPERSON COHEN: Okay. What about online?
MR. OROZCO: Some of our websites do support multiple languages.

CHAIRPERSON COHEN: Is this built into the EDR2 program or platform? Language access?

MR. OROZCO: I think a lot of this functionality comes natively from the browsers that taxpayers use to access our webpages.

CHAIRPERSON COHEN: All right. Thank you.

Second question: When rolling out the new cutting-edge technology, like EDR2, how does the Franchise Tax Board ensure that these new technology solutions meet certain stringent security requirements?

MR. OROZCO: The -- we do have a very robust security foundation, and everything that we have has to meet several different security standards. Some of those security standards are making sure that we adhere to the IRS's Pub. 1075 standards, along with all of the privacy standards to make sure that we safeguard taxpayer data.

CHAIRPERSON COHEN: Okay. That's exactly what I was looking to hear. There's a lot of standards out there.

MR. OROZCO: There are.

CHAIRPERSON COHEN: I just want to know what we're trying to meet. So the federal -- so the IRS.
MR. OROZCO: Yes.

CHAIRPERSON COHEN: Fair enough.

Now, towards the latter third of your presentation, you did a lot of talk about data modeling. And I'm curious to know, how does this new -- how does the data modeling inform the business practices of the FTB?

MR. OROZCO: So what those data modeling capabilities do is, they process large amounts of data to look for specific data patterns that would lead to outcomes that we're trying to achieve.

CHAIRPERSON COHEN: Question.

MR. OROZCO: Yes.

CHAIRPERSON COHEN: Does that include fraud? I know you are not trying to achieve fraud, but you are trying to prevent it.

MR. OROZCO: Right. So that would be an example of a data pattern that we're looking for, that would suggest that there may be fraud taking place.

CHAIRPERSON COHEN: Okay.

MR. OROZCO: In that situation, when -- let's say a tax return comes in, and there's potential fraud there, it gets flagged as such and moved into a separate queue for manual analysis.

CHAIRPERSON COHEN: And when you are doing this
data modeling, you are looking for patterns to, I guess, continue to inform your business, to continue to better your best, right?

MR. OROZCO: Correct.

CHAIRPERSON COHEN: Okay. Well, that's all the questions that I have. Thank you, Mr. Orozco.

Let's see. Mr. Vazquez.

MEMBER VAZQUEZ: Thank you, Madam Chair, for asking my questions.

No. But I did have just one follow-up. And more than anything, just kind of kudos to you and your staff, because I think, you know, as you are dealing with some of these very sensitive issues, I'm really impressed the way you folks are handling this. And I just wanted to give you kudos for that.

And following up on more of the language issue, I'm glad to hear that you are at least able to deal with it as much as possible, given the new technologies and the new platforms that are out there. And it sounds like you are moving forward and possibly looking at more languages than just the Spanish language, because there's so many different languages spoken in California, especially in my district, in Los Angeles.

I mean, I'm just appalled -- I don't know how these teachers are able to communicate with so many
different languages with these kids.

    MR. OROZCO: Yeah. We are trying to do our best
to make sure we can reach as many Californians as
possible.

    MEMBER VAZQUEZ: Appreciate it.

    CHAIRPERSON COHEN: I think Ms. Miller is no
longer with us. Is that right?

    All right. Thank you. Let's go ahead and take
public comment. Let's go to the members in the
audience, in the auditorium. Is there any member of the
public that would like to comment on this? Perhaps
you'd like to give a compliment?

    (No response.)

    CHAIRPERSON COHEN: No? Okay.

    Let's go online. Let's check our community
online.

    PHONE MODERATOR: Members of the public on the
phone lines, if you would like to place yourself in the
queue for public comment, as a reminder, you may press
1, then 0, at this time.

    CHAIRPERSON COHEN: Okay.

    PHONE MODERATOR: No members are queuing up at
this time. Please continue.

    CHAIRPERSON COHEN: Thank you very much. This is
just an informational item. Thank you very much,
Jennifer and Jose. I appreciate your presentation.
Very thorough.

Go ahead and move on to Item 5. And 5 is a presentation on Workforce Succession Planning at FTB. This is a staff report presented by Michelle Smith.

MS. SMITH: Excellent. Thank you. Good afternoon, Madam Chair and Board Members. My name is Michelle Smith. And I am FTB's Enterprise Workforce Planner, and I work in our Organizational Development and Talent Management Bureau.

The specific component of workforce planning I will be talking about today covers FTB's workforce succession planning efforts and how we prepare our workforce for the future.

The last time I had the privilege of presenting to the Board, I shared how FTB's focus on leadership culture helped us through our talent pinch the State of California was -- and continues to experience.

With climbing vacancies and a reduced response to open job postings, FTB feels what everyone is feeling in both the private and public sectors. That workforce behavior is changing in unpredictable ways. Recruiting challenges and projected vacancies due to retirement were a primary focus of FTB's workforce planning refresh efforts that began back in December of 2020.
As we previously shared, the pandemic has impacted the world's workforce and talent pool in ways the government wasn't prepared for.

Today I will show that FTB has critically examined our workforce gaps and recruiting and employment retention as a part of our approach to tackling succession planning.

In December of 2020, FTB refreshed our workforce planning efforts and adopted the State of California's five-phase workforce planning model. This model guided us through an improved use of data to identify our risks and gaps, to develop mitigation strategies.

And I'm happy to share that we are in Phase 4 of the five-phase model, which is the implementation phase, meaning the Plan, Analyze, and Develop phases are complete.

When we began our workforce planning refresh, we discovered that roughly 61 percent of key leadership was age-eligible to retire, with 17 percent of those individuals already at or beyond the average age when the typical FTB employee would retire. Those percentage figures were projected to grow over the next five years.

So we asked ourselves, are we ready? Like many departments in the State of California, we realized we are not.
Key components of our workforce planning analysis were the evaluation of the enterprise workforce risks and reviewing our enterprise direction. It was confirmed that succession planning has been a top priority at FTB, as evidenced, in part, by the many leadership programs that were highlighted in last summer's board meeting, including programs aimed at quicker development of new leaders, providing opportunities to increase knowledge and experience levels of existing leaders, and promoting a culture of leadership for all levels of our employees whether or not they are in a formal leadership position.

Historical reporting to the State Legislative Accountability Act, or SLAA, reports, as they are known to me, further confirm FTB's commitment to leadership development.

We understand that succession planning is more than just providing available training to leadership or offering leadership programs. It also identifies gaps in succession, skill development, and critical knowledge retention.

Our efforts are focused on ensuring we have the right talent, in the right place, at the right time, with the right skills. Our ongoing goal is to grow a robust talent bench.
While succession planning ensures we are preparing and building a robust workforce bench, it's important to share what succession planning is not. In state government, successors are not prechosen, as in many businesses that choose an heir to take over the family business when the time comes. In other words, it is not hand-selecting successors for positions.

In state government, the concept is to develop and prepare a bench of qualified candidates who can compete for the job opening in line with the State's merit selection process.

We also do all we can to give equal access to these training and development opportunities, ensuring we remain an inclusive and equitable employer and continue embracing our diverse and talented workforce.

Simply stated, our succession planning strategy is competency-based and inclusive for all who wish to grow their careers here.

So how are we doing this?

When we did our workforce planning analysis, we identified gaps in two key areas: The first is recruiting, which is not unique to our department or to state government; and the second is retention, where we have placed more emphasis on improving workforce engagement, and also more focused succession plan.
Our strategy to mitigate the retention gap of the formalized succession plan is a three-part process: One, to establish ways to identify and record skill gaps and benchmarks; two, to identify needs for talent development, skill investment, and formal knowledge transfer; and, three, to establish what are referred to as skill-sensing programs through strategic planning to help ensure we have the right skills at the right time.

In alignment with CalHR's succession planning guidelines, this methodology will help us identify the skills we need not only today, but also in the future, and prepare the workforce for succession efforts with smooth transitions, thus ensuring continuity of service.

Our timeline to complete this strategy effort is as follows:

We filed our workforce plan with CalHR in June of 2022, and, after that, we began the Phase 4 of the five-phase workforce plan, implementation. This phase includes our project initiation for succession planning and is happening this year.

This will be handled in two parts:

In the first, we will create a formalized enterprise succession planning process that is both repeatable and scalable. This milestone is projected to be complete by June of this year, 2023.
In the second part, we will conduct the gap analysis and develop strategies. This is projected to start in January 2024 and will conclude with an action plan in July of 2025.

To reiterate why this is so important to FTB and the taxpayers of California, as of December 31st, 2022, roughly 25 percent of FTB's workforce is eligible for retirement now and are at the age when a typical FTB employee would retire.

As mentioned earlier, this percentage for key leadership is expected to increase even more over the next five years. It is critical to capture the knowledge and skills of this workforce in order to become succession-ready. In addition, we are ensuring we have a formalized, repeatable strategic plan so that we have the right talent, in the right place, at the right time.

In summary, FTB's workforce plan is guiding our succession planning efforts to strengthen and deepen our workforce bench by identifying the skills we need now and in the future. Because of this formalized visionary and strategic approach to consider and determine what we need to ensure that we are ready for succession needs, FTB is preparing and building our workforce of the future today.
And this concludes today's presentation.

I would like to take this time, again, to say thank you for allowing me to share this information with you. And if you have any questions, I can answer them for you.

CHAIRPERSON COHEN: All right. Thank you. Thank you very much, Ms. Smith. I appreciate your presentation.

And thank you for being so thoughtful in your approach, paying careful attention to being inclusive, paying careful attention to creating a diverse work environment, and not sacrificing high performance.

I find that FTB finds itself in a unique place, which -- which demands -- as demands increase, our workforce pool is very close to retirement -- at retirement age and beyond.

We -- in order to continue to extend stellar service to California, we need to make sure that we are planning for the future. I love the approach. I think it's incredibly thoughtful and thorough.

The succession planning process is going to -- I would venture to say -- be a standard for many agencies, many state agencies.

And Selvi is nodding her head in agreement, saying yes, that is right.
So let me turn to my colleague, Mr. Vazquez, for his thoughts.

MEMBER VAZQUEZ: Yes. Thank you, Madam Chair.

Thank you also for your presentation. And I am pleased to see that FTB is really -- has the foresight in addressing, you know, these issues that, you know, that you mention here, especially on the retirement side. Because, you know, at BOE, we're experiencing the same thing and we're -- you know, you are getting hit with this knowledge gap, as more and more of your experts are leaving the field. And as you are recruiting new members, you know, just trying to make sure that you -- that you are able to at least pass on that information, because that institutional knowledge is sometimes very difficult to -- I know we see it in our department as well and with the BOE. And it looks like you guys are -- you are also experiencing the same.

So I was just -- I guess my question is -- you kind of touched on it in your presentation. That, you know, your upward mobility programs that you have in terms of mentoring folks and making sure that you create a good bench, I guess, as you mentioned in your slides, so you could draw from that as you are experiencing more and more of your staff retiring or just moving on to other fields.
So I was wondering, in terms of recruitment, I understand that there is a shortage of auditors, accountants, and appraisers. What strategies are you using to ensure that you have a good hiring pool, moving forward?

MS. SMITH: That's a great question.

So we have a physical and virtual presence at job fairs and on college campuses and with our community events to advertise. And also in any kind of recruiting event, be present and -- and promote FTB as a destination employer.

We also, in our workforce plan, have a multiyear process and increasing our visibility and attracting levels of talent at all career levels, not just at that entry level.

MEMBER VAZQUEZ: Appreciate it. Thank you.

CHAIRPERSON COHEN: Let's see. Ms. Gayle Miller, do you have any comments that you wanted to share with us?

(No response.)

CHAIRPERSON COHEN: No? Okay.

Well, let's go to public comment. Let's see if there's any member of the public in the audience that would like to comment on the succession plan.

(No response.)
CHAIRPERSON COHEN: All right. I see none.
Operator, let's go online. See if there's any public comment online.

PHONE MODERATOR: Members of the public on the phone lines, if you would like to place yourself in the queue for public comment, as a reminder, you may press 1, then 0, at this time.

(No response.)

PHONE MODERATOR: No members of the public are queuing up at this time.

Please continue.

CHAIRPERSON COHEN: All right. Thank you, Ms. Michelle. Appreciate it.
We will continue moving on to Item 6. It's the Executive Officer's Time, and I will turn it over to Ms. Selvi Stanislaus.

EXECUTIVE OFFICER STANISLAUS: Thank you, Madam Chair, and good afternoon, Board Members.
I would like to begin my time today by congratulating our new Board Chair and now State Controller, the Honorable Malia M. Cohen.

On behalf of our nearly 6,000 employees, we are thrilled to have you join us and lead the Board in our efforts to achieve our department's missions and values.
Your enthusiasm and hard work to improve the
quality of life for all Californians will undoubtedly prove invaluable as we work together to address any challenges that lie ahead.

We are truly excited to have you as part of our board and look forward to the positive impact that your leadership will have on our agency.

So once again, congratulations on your new position. And we wish you all the best in your endeavors as State Controller, and, of course, most importantly for us, FTB Board Chair.

CHAIRPERSON COHEN: Thank you.

EXECUTIVE OFFICER STANISLAUS: I would also like to welcome back Member Vazquez. We are very excited to have you back on our Board. Your extensive experience and unwavering commitment to serving the public makes you an invaluable member of our team. We are eager to hear your thoughts and insights on important issues facing our department, and we look forward to working with you again.

Welcome.

And I also would like to thank Director of Finance Joe Stephenshaw and Deputy Director Gayle Miller and the staff of the Department of Finance. Your expertise and guidance have been invaluable in helping us navigate through various financial challenges and
policy decisions. Your unwavering commitment, leadership, and contributions to FTB are greatly appreciated.

Now I would like to share a few highlights that show our initial opening of the 2023 Filing Season.

As a result of the winter storms in much of our state, the IRS and California announced that impact to taxpayers and businesses in most counties in California can postpone the filing of their 2022 tax returns and payments to October 16, 2023.

Even with this extension in place, as of March 25th, we have processed 8.5 million personal income tax returns, with 96 percent of those e-filed; 6.2 million refunds with an average refund of $1,300; 5.3 million refunds were deposited directly in the taxpayers’ bank accounts; better still, 87 percent of refunds were issued in under ten days; and 2.9 million tax payments, totaling $16 billion, with 86 percent of the money received were received electronically.

So on top of our enormous filing season workloads, over the last two years, FTB has been extremely busy providing assistance to Californians with the distributions of relief payments. So beginning in 2021, FTB distributed two rounds of Golden State Stimulus, GSS, payments. And last year, FTB was again
called on to manage the disbursements of billions of
dollars in economic reliefs for millions of
Californians.

So we partnered with the State Controller's
Office, the State Treasurer's Office, and our vendor,
Money Network, to administer the Middle Class Tax
Refund, or we call it MCTR here, a relief effort that
provides millions of Californians with a one-time
payment of up to $1,050.

So in all, right now, 9.6 million debit cards
were mailed, and 7.2 million direct deposit payments
were issued, totaling over 16.8 MCTR payments. These
payments totaled over $9.2 billion, and, most
importantly, it benefited almost 32 million
Californians.

So in short, we have worked tirelessly to ensure
the success of these important relief programs, on top
of our normal filing season workloads. I'm extremely,
extremely proud of my employees and the great work that
they continue to accomplish.

So in conclusion, once again, I want to thank,
you know, all the board members, who always provide
valuable perspective and feedback. With your
outstanding direction and leadership, I have no doubt
FTB will have another successful filing season.
Thank you once again for your time today.

Back to you, Chair.

CHAIRPERSON COHEN: Thank you very much. Very well stated.

Let's see. Colleagues, are there any comments? Yes, please.

MEMBER VAZQUEZ: First of all, thank you, Selvi. I really am impressed with your team and the work that you have done.

I know when I was here -- although this is the first time we have done it live -- in person, I should say -- when I was representing the Board back -- it was during COVID. So it's a whole different feel.

But in listening to your presentation, did I hear you correctly that there was, like, a ten-day turn around on --

EXECUTIVE OFFICER STANISLAUS: On the refunds, yes.

MEMBER VAZQUEZ: On the refunds.

EXECUTIVE OFFICER STANISLAUS: Seven to ten days.

MEMBER VAZQUEZ: Do you think --

EXECUTIVE OFFICER STANISLAUS: All the tax returns that are e-filed, not paper-filed.

MEMBER VAZQUEZ: That's what I was going to say. E-filed. I'm sure it made a huge difference -- that's
what I was thinking -- because that seems awful quick.

The --

EXECUTIVE OFFICER STANISLAUS: Yeah. Thanks to
my staff, and many of them are here today.

MEMBER VAZQUEZ: No. Kudos to your staff.

I mean, because -- you know, as I was mentioning
earlier in my remarks, that I know -- well, just as I
run across folks throughout the state, you know, a lot
of them are suffering; they are really hurting
financially. And you know, a lot of them are depending
on returns. And this is helping them, I'm sure, making
ends meet for their families. So that's really
appreciated.

I was just wondering, in regards to the
'22 Filing Season, would you say, so far, that we're
ahead of last year's projections?

EXECUTIVE OFFICER STANISLAUS: So in terms of
numbers, we are pretty much, yes, almost identical to
last year.

MEMBER VAZQUEZ: Identical.

EXECUTIVE OFFICER STANISLAUS: Yes.

So I have numbers with me right now. So in terms
of individual tax returns, you know, last year, around
this time, was 8.5 million returns filed. This year,
8.4 million. So we are, yeah, pretty much in sync to
MEMBER VAZQUEZ: We are close.
EXECUTIVE OFFICER STANISLAUS: Um-hmm.
MEMBER VAZQUEZ: Well, that's great. Once again, kudos to your staff, and thank you for the presentation.
EXECUTIVE OFFICER STANISLAUS: Thank you.
CHAIRPERSON COHEN: All right. Thank you.
Let's go ahead and take public comment on this.
Again, this is just an informational. Is there any member in the audience that would like to speak on this, in the auditorium?
(No response.)
CHAIRPERSON COHEN: All right. Seeing none, let's go check online to see if there's anyone that would like to speak on public comment.
PHONE MODERATOR: Members of the public on the phone lines, if you would like to place yourself in the queue for public comment, as a reminder, you may press 1, then 0, at this time.
(No response.)
PHONE MODERATOR: No members of the public are queuing up at this time.
Please continue.
CHAIRPERSON COHEN: All right. Thank you very much.
We will continue.

Thank you, Ms. Stanislaus.

The seventh item on our agenda is the Board Members' Time.

And if I may have a point of privilege and speak first.

MEMBER VAZQUEZ: You are the Chair. Go ahead. Start us off.

CHAIRPERSON COHEN: That's right. That's right, everyone. Yes. Gosh -- you know --

MEMBER VAZQUEZ: It's a new day in the neighborhood.

CHAIRPERSON COHEN: It's a new day. This right here, folks, is the dream team for you. Just so you know, we have chemistry. We have worked together for a number of years. We are tried and true, tested tried and true. And so I feel so confident that we're going to have an amazing time together as we serve California.

And as the new Chair of the Franchise Tax Board, I consider it a privilege and a great responsibility to take over this gavel, as California's 33rd Controller.

And alongside my fellow colleagues -- we have got Member Vazquez, again, who served with me on the Board of Equalization, or I served with him. Either way; and member Gayle Miller, who is online today, and is --
just want you both to know that I can't be more excited, and I'm looking forward to the work ahead to address the needs of 40 million Californians.

There's a couple things I want to note that, first, in the State budget, which is like a governing document for all of us, given the kind of work that we're doing, the Franchise Tax Board is responsible for collecting personal income tax and corporation tax revenue, operating various collection programs, conducting field audits for the Fair Political Practice Commission.

And the FTB, for all operations and responsibility, is over $1.2 billion. That is a huge operation. A huge undertaking.

And these responsibilities are executed by the hard work of approximately 68 people. 68 employees and a few contractors. 6800.

So when you visit the FTB website on their landing page, there's something beautifully written. You will see a statement: "California Counts on Us." I mean, that is just literally and figuratively just a beautiful way to describe our role in the State of California and, quite honestly, the calling on our life, as we, as all public servants, have accepted. And I believe this is indeed a true statement: California is
counting on all of us.

So to the Executive Officer, Ms. Selvi Stanislaus, and to the Executive Team, and to every employee here at the FTB, your constant dedication has meant that the General Fund is funded; vital services continue; California remains steadfast as the world's fourth largest economy in the world.

And as Chair of the Board, let me say that I'm just deeply committed to the values, these stated values that FTB has put on their website and have -- that you have declared and provided in the 2021 through '25 Franchise Tax Board's Strategic Plan.

And these are values that are really important because I like to talk about values and lead with values, because values don't generally change. People change. Issues change. Policies come and go and they change. But to have the value to lead with integrity and inspiration, I hope that never changes. And as long as I'm at the helm of this body, it will not be changed. We are going to continue to bring our best. We are going to deliver excellent products and services, contribute to a caring community, and become experts at what we do. I mean, if that is not inspiring -- if that is not an inspiring call to action, then I don't know what it is.
I plan to always see how we can enhance and support the experience of our team members so that these values continue to be part of our agency's work culture.

I deeply believe that our values as a society are reflected in the care, in the commitment that we demonstrate to improve the quality of life for all California residents.

I don't want to leave anyone behind. So I would like to take a moment to recognize my Tax Deputy; this is Mr. Hasib Emran, sitting right here, rightfully on my right hand. He's an attorney. Deputy Emran has been on my team for several years. Dare I say, he started out as an intern when I was a member of the San Francisco Board of Supervisors.

And, you know, when you recognize talent, you see it instantly, right? Superstar in the making. I convinced him -- well, I think he was already going to go to law school, so I can't take credit for that. But I can take credit for asking him to consider to study taxes and tax law. And that is exactly what he did. He was admitted to the bar a couple of years ago, and now he's on the team. He will be present. He will be engaged. And he's funny. So you will enjoy your interactions with him, as well as any of the taxpayers that ever have a question.
So with an open heart and with great enthusiasm, I look forward to partnering with the Franchise Tax Board as its Chair and always as your colleague and your huge supporter.

I want to move on and just recognize that it's March. Although we are coming to a close, it is still Women's History Month. And so today, I would like to celebrate Women's History Month with you. And let us honor the legacy of women across our state and across our great nation, who have paved the way for future generations, and who have fought to give meaning to the idea that we are all created equal.

To the Suffragettes, Riveters, marchers, activists, who are mothers and sisters and grandmothers and our daughters; and also to the men who are allies in this struggle, who have worked -- all of us have worked -- collectively and tirelessly to make the world a fairer and more just and free place.

This is also a time to reaffirm our commitment to advancing rights and opportunities for all women and girls.

I have had the honor, as Controller, to travel across the state of California. I have met so many different women who have had -- who have shared their stories; mothers who have had to return to work, days...
after giving birth; women who have paid -- who are paid
less than their male colleagues for doing the jobs,
oftentimes training them for their position; a mother
who declined a job promotion and had to leave the
workforce because of just an inability to access
affordable childcare.

I understand that these are not only -- these
aren't just women's issues, and I'm sure you can
understand that too. That these are family issues, and
family issues are economic issues, economic empowerment
issues.

So together, we must join our voices with the
trailblazing women of past history and forge a path
forward to a more equal and society -- a more equal and
just society for all, because the fight for women's
equality shouldn't -- the fight for women's equality
should have an end -- should have an end.

Every little girl must know that she belongs in
all places of power, of prestige, and that her body is
her own, and that her boldness is beautiful, and her
future can be anything she wants it to be.

A future where a woman's potential is limit -- is
limited only by the size of her dreams and the power of
her imagination.

Thank you very much.
I will turn it over to you, if you have any remarks.

MEMBER VAZQUEZ: Yes. Thank you. Thank you, Madam Chair.

And let me first start by just giving kudos to Selvi and your staff for all your hard work. Really appreciate the time and dedication that you have, especially, I know, right now, this is the busiest time of the year for you as you are dealing with Filing Season, I guess they call it.

But -- and we kind of touched on it earlier, and you mentioned it in your slides, that I'm reassured, by listening and hearing from not only you but your staff, on moves and the modernization piece that you are moving forward, to, one, expedite these returns, and then, two, to make sure there they are as efficient as possible, with very minimal mistakes, I'm sure, as I'm hearing from folks and the public.

But today, you know, as Madam Chair brought up, you know, we're still in the tail end of Women's History Month. And, of course, we have one of the trailblazers here, our first African American Controller, to lead us in this state. Right?

(Applause.)

CHAIRPERSON COHEN: Thank you.
MEMBER VAZQUEZ: Kudos to you.

And I -- and I hear the buzz, you know, throughout the state, and you are just such a role model for not only African American women, but just women in general. And I think it's so enlightening.

And like you mentioned earlier, you know, I think we have had a real good dream team on the BOE, and I'm looking forward to carrying it over on to the Franchise Tax Board as well.

And I -- you know, as we talk about the international women's month, you know, March being it, it kind of dovetails also into the celebration we just celebrated. Well, officially, it's not until the 31st, but it was a legal holiday already taken on Monday, with Cesar Chavez. And, you know, really one of his persons right alongside him, that helped him create the United Farm Workers, Dolores Huerta. This woman is still alive. She's 92 years old and going strong. I mean, she came to my swearing -- she came to both of my swearing-ins. And I just can't just believe the energy that she has.

I mean, I shared at our BOE meeting last week, that I hope I can even walk, much less run like she does, and march. She actually marched with the Governor this last time, when he gave his State of the State
presentation.

But moving forward, the other thing — I'm really looking forward to, you know, some of the things that we have been discussing on the BOE that I think will complement the Franchise Tax Board. And just waiting for this synergy that I think we're going to be able to bring forward, that hopefully will be in partnership with Selvi and your team as well.

Looking forward to this next year. Really appreciate it. Thank you.

CHAIRPERSON COHEN: All right. Thank you.

Ms. Miller, I don't know — I don't want to put you on the spot. But is there anything you would like to say?

MEMBER MILLER: Well, I just — that was really inspirational from both of you, and thank you so much, Madam Controller. I wrote down — just a point of personal privilege. But my daughter has a bat mitzvah coming up and I'm going to use that line, that no woman should be limited by the — except by the size of her dreams and power of her imagination.

And I sincerely love that, and it was just the inspiration I needed today. So thank you for that.

And I too am looking forward to serving with you, and I'm so grateful for your leadership across the
state.

And to Member Vazquez, I sincerely look forward to this partnership and making sure that we do, in fact, make things better for all of California's taxpayers.

So thank you very, very much. Really appreciate the opportunity, and look forward to seeing you both in person.

CHAIRPERSON COHEN: All right. Congratulations to you, your husband, and your daughter, for reaching that milestone.

So at this point, I would like to pivot our conversation, and, once again, we have another bittersweet moment in acknowledging a retirement. We are celebrating Brenda Voet. Where are you, Brenda? Where are you, Brenda? Don't be shy now. Come on down.

(Applause.)

CHAIRPERSON COHEN: Ladies and gentlemen, in sticking with our Women's History theme, this is Ms. Brenda Voet. She is our Taxpayer Rights Advocate. Brenda joined -- is joined today by her high school sweetheart of almost 40 years, her husband, Leonard Voet. She also has daughter Lindsey and Lindsey's wife, Charlotte. Where are you guys? There you are. Her son, Tim, is also with us. And then streaming online is also a daughter, Maggie, who is not able to be with us.
but she's here online.

So I would love to give the microphone to you. You can just say a few remarks. Share your thoughts of what you have seen in the last 30 years.

MS. VOET: I have seen a lot. I have seen a lot, a lot.

But good afternoon, Madam Chair, Board Members, and Selvi. Thank you. I really appreciate you giving me this opportunity to say thank you, to all of you and to my FTB family.

When I started my career at FTB, it was over 30 years ago. When I started, we didn't have desk computers. We didn't have fax machines. The technology to file electronic returns did not exist. And the leadership style was autocratic.

Over three decades, I have witnessed significant changes in how we operate and perform the duties entrusted in us. To say the improvements have been impressive is an understatement.

For me personally, I was provided opportunities to advance my knowledge and skills through mentorship, support, and educational opportunities I received from my FTB family. This enabled me to have several diverse and unique careers all within FTB, something I couldn't even imagine when I first walked through these doors.
Although most of my time was spent in our audit program areas, I was also able to serve in our Public Affairs Department. And with your support, it has been my privilege to serve the last two years in the capacity as the Taxpayer Advocate to the taxpayers of California.

During my career with FTB, I had an opportunity to pioneer the reduced workweek option; educate taxpayers and tax practitioners through TV and radio interviews and in-person seminars; expand our partnership audits to include apportioning multistate partnerships; I had the privilege of building a strong Taxpayer Rights Advocate Team; and I had the absolute privilege to work with some of the finest people I have ever met.

I will miss you, but it's time for me to step into the next chapter of my life, retirement.

Today, FTB is better than when I first started, and it has been a privilege to be part of this process. I leave with confidence that FTB will only continue to become better and better. Thank you from the bottom of my heart.

CHAIRPERSON COHEN: Thank you.

(Applause.)

CHAIRPERSON COHEN: Ladies and gentlemen,

Ms. Brenda Voet.
Please, please grant me just a few more minutes.

I want to read to you this resolution. It's beautifully written, and I think it truly captures this professional's contributions to this organization.

WHEREAS, Ms. Brenda Voet began her Franchise Tax Board journey in 1986, a career that has spanned more than 31 years of service to the State of California; and

WHEREAS, Ms. Voet was among 40 new auditors that started together in 1986. She is the last one to leave FTB. As an auditor, she expanded audits to include multistate partnerships; and

WHEREAS, Ms. Voet is proud of rebuilding, mentoring, and leading her team as the Taxpayer Advocate. She is trusted, approachable, a great listener, loyal, and an excellent communicator. Her optimism and personal bond makes working with her enjoyable. FTB will miss her tremendously; and

WHEREAS, Ms. Voet is one of a kind and cares deeply about California taxpayers. She works hard to ensure everyone feels heard and is treated fairly; and

WHEREAS, Ms. Voet has devoted her life to volunteering in her community and abroad. She is -- she is a deeply caring person, focused on serving and supporting others and helping them to reach their highest potential; and

KATHRYN S. SWANK, CSR (916) 390-7731
WHEREAS, Ms. Voet's passion has taken her to
crochet baby blankets, prepare sustainable feminine
hygiene solutions for girls around the world, and
support education for girls in Bangladesh; and

WHEREAS, Ms. Voet is looking forward to
traveling, relaxing, reading, watching her favorite
movie, "Singing in the Rain," listening to her favorite
song, "Amazing Grace," and continuing her crucial work
of supporting childhood education for underprivileged
girls; and

NOW, THEREFORE, LET IT BE RESOLVED, this, the
28th day of March 2023, by the Franchise Tax Board, that
we recognize and thank Ms. Brenda Voet on her
retirement, for her professional and personal dedication
for almost 32 years to the Franchise Tax Board and, most
importantly, to the People of the State of California.

Congratulations and we wish you well. We wish
you all the best as you embark in this new chapter in
your life.

Please, come join me on stage. Come take a
picture with us.

(Applause.)

CHAIRPERSON COHEN: Your family is also welcome
to come join us on stage.

(Applause.)
CHAIRPERSON COHEN: All right.

PHONE MODERATOR: We do have a special guest online.

CHAIRPERSON COHEN: Thank you. Please.

PHONE MODERATOR: Ms. Voet, your line is open.

MS. VOET: Is that me?

CHAIRPERSON COHEN: Yes.

MS. VOET: I'm so sorry. My name is Maggie. I'm Brenda's daughter and I'm calling in.

And I have to say, I watched my mom go through this whole career and she would wake up early in the morning and leave before I would even wake up, and then she would come and get us from school every day.

And it's just been a magical experience to watch her go through this whole career and finally get to enjoy -- enjoy her time. So thank you so much for honoring her today.

Mom, I love you so, so, so much. I'm so grateful that you are my mom, and I can't wait to see you guys soon. Thank you.

CHAIRPERSON COHEN: Thank you, Maggie. Thank you so much.

(Applause.)

CHAIRPERSON COHEN: Did you hear that infectious laugh? I love that. That was amazing. I bet the Voet
family has a good time when they get together.

   Well, congratulations again to you. We're very proud of you. And we wish you much success in this new chapter.

   All right. Seeing that there are no other members of the public in person or online, we will close public comment.

   And seeing that there is no other business coming before this Board, we will conclude the Franchise Tax Board meeting for today.

   Thank you. And we are -- yes, Tony? There's always one. Right?

   MEMBER VAZQUEZ: I just -- I just wanted to -- I mean, it's great we're celebrating this. But, you know, I just can't help but if we're going to -- if we're adjourning, to -- I would like to adjourn in honor of -- you know, we have lost some -- many lives, you know, this last tornado that went through Mississippi. I couldn't -- when I was watching it on the news, just see the devastation. I mean, I have never been through a tornado. I mean, earthquakes are enough for me. But when I see this, you know, my heart goes out to those families. So I just wanted to adjourn, if we could, Madam Chair, in honor of those lives and many of those folks that are impacted by it.
CHAIRPERSON COHEN: Thank you. Couldn't have said -- I could not have said it better. So we will adjourn this meeting in the memory of those that have lost their lives in Mississippi and those that are going to be putting their lives back together.

We are adjourned. Thank you.

(Proceedings concluded at 3:14 p.m.)
CERTIFICATE OF REPORTER

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of April 2023.

/s/ Kathryn S. Swank
KATHRYN S. SWANK, CSR
Certified Shorthand Reporter
License No. 13061
<table>
<thead>
<tr>
<th>Page</th>
<th>Line</th>
<th>Correction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>