

STATE OF CALIFORNIA

FRANCHISE TAX BOARD

PUBLIC MEETING

MONDAY, MARCH 24, 2025

1:00 P.M.

GERALD GOLDBERG AUDITORIUM

9646 BUTTERFIELD WAY

SACRAMENTO, CALIFORNIA

STENOGRAPHICALLY REPORTED BY:
EMILY SAMELSON
CSR NO. 14043

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APPEARANCES

BOARD MEMBERS

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

DANAMONA ANDRIANARIMANANA
Program Budget Manager
Department of Finance

TED GAINES
Chair
Board of Equalization

HASIB EMRAN
Deputy State Controller, Taxation

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STAFF

SELVI STANISLAUS
Executive Director

CATALINA MARTINEZ
Board Liaison

ERIN DENDORFER
Attorney V

SHANE HOFELING
Chief Counsel

TIPHANIE WEISS

ERIN CARVEL

PATRICIA CARTE

JOHANNA HANSON

IRIS SOLIS

SHEENA VANMETER

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APPEARANCES CONTINUED

STAFF CONTINUED

JOSE OROZCO

JENNIFER ROUSSEL

DAVID VELO

ROGER LACKEY

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ALSO PRESENT

VANESSA OROZCO, Golden State Opportunity

DANIELLE BAUTISTA, United Ways of California

CHRISTINE GRAB (via telephone)

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Sacramento, California

Monday, March 24, 2025; 1:00 p.m.

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CHAIRPERSON COHEN: Good afternoon.

AUDIENCE MEMBERS: Good afternoon.

CHAIRPERSON COHEN: Yes, thank you. Audience participation, interactive. This is what happens when you have a meeting after lunch. People are awake and vibrant and ready to go.

Well, good afternoon. This is the scheduled time for the meeting of the Franchise Tax Board.

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

MS. MARTINEZ: Member Gaines?

MEMBER GAINES: Here.

MS. MARTINEZ: Member Andrianarimanana?

MEMBER ANDRIANARIMANANA: Here.

MS. MARTINEZ: Chair--Controller Malia Cohen?

CHAIRPERSON COHEN: Present. Thank you very much.

At least -- all right. Good afternoon, everyone. I have to find myself in my notes. So this is the Franchise Tax Board meeting.

The public has the right to comment on each agenda item. If there are any members of the public

1 wishing to speak on an item, please come forward when
2 it's time. You will have three minutes to address this
3 body. And we are going to acknowledge those persons
4 that are in the chamber first before we acknowledge
5 folks that are calling in online.

6 For today's meeting, the members of the public
7 who wish to comment via teleconference, please call
8 (844) 767-5651 and enter the access code 8835965. Also,
9 please note to be aware that there's a short delay
10 between the web live stream and the live event. If
11 there are any members of the public wishing to speak on
12 an item that you are -- and you're using a translator or
13 translator service, you will have six minutes to address
14 the Board. All speakers will be asked to identify
15 themselves for the record.

16 All right. Okay. Thank you very much.

17 So the first item, Members, is the approval of
18 the minutes. We've got the minutes from the
19 December 10th, 2024, Franchise Tax Board meeting and the
20 Annual Taxpayers' Bill of Rights.

21 Members, are there any questions or any comments?

22 Member Gaines.

23 MEMBER GAINES: Yes. I'm going to have to
24 abstain, as I was not a Member of the Board at the time.
25 So thank you.

1 CHAIRPERSON COHEN: All right. Well, thank you,
2 Member.

3 Before we take up that item, it has been brought
4 to my attention that we forgot to say the Pledge of
5 Allegiance. I apologize.

6 So if everyone is able-bodied, please stand to
7 your feet and place your right hand over your heart and
8 take the Pledge of Allegiance with me.

9 (Pledge of Allegiance stated in unison.)

10 CHAIRPERSON COHEN: Thank you very much.

11 Okay. So we have -- Member Gaines is going to be
12 abstaining from the vote.

13 MEMBER ANDRIANARIMANANA: Motion to approve.

14 CHAIRPERSON COHEN: All right. A motion has been
15 made to approve the minutes. And I will second that
16 motion.

17 Can we do a roll call vote, please.

18 MS. MARTINEZ: Member Gaines.

19 MEMBER GAINES: Abstain.

20 MS. MARTINEZ: Member Andrianarimanana.

21 MEMBER ANDRIANARIMANANA: Approve.

22 MS. MARTINEZ: Chair--Controller Malia Cohen.

23 CHAIRPERSON COHEN: Aye. Thank you.

24 And for the record, let's go ahead and take
25 public comment on this item.

1 Is there any member of the public that would like
2 to comment?

3 (No response.)

4 All right.

5 PHONE MODERATOR: Members of the public on the
6 phone lines, if you would like to place yourself in
7 queue for public comment, as a reminder, you may do so
8 by pressing 1, followed by 0; 1, followed by 0.

9 (No response.)

10 CHAIRPERSON COHEN: All right. Thank you very
11 much. Seeing that there is no public comment, I think
12 the item -- the vote still stands.

13 All right. Okay, ladies and gentlemen, we are
14 going to do things --

15 PHONE MODERATOR: No one --

16 CHAIRPERSON COHEN: Thank you, sir.

17 We're going to do things a little bit different.
18 We're going to take a motion to go into closed session.
19 And we've got some items that we are going to hear as
20 a -- as a Board, and it will take about 30 minutes,
21 maybe 45 minutes at the most, and then we will come back
22 and open up into the full session.

23 All right. Looking at my attorney, do I need to
24 do anything else? Do I need to take a motion to go over
25 to closed session?

1 MR. HOFELING: You can just announce that we're
2 going into closed session at this time.

3 EXECUTIVE OFFICER STANISLAUS: Which you just
4 did.

5 CHAIRPERSON COHEN: Thank you very much. All
6 right.

7 If you are a participant of the closed session,
8 please stay. If not, you're dismissed. Thank you.

9 We are on recess.

10 (Off the record.)

11 (Closed session held from 1:05 p.m. to 2:02 p.m.)

12 (Open session resumed at 2:02 p.m.)

13 CHAIRPERSON COHEN: All right. Thank you. Good
14 afternoon, everyone. It's 2:02. The Board met in
15 closed session and discussed pending litigation matters.
16 We're back in open session now.

17 Next, we have agenda Item Number 2, which is a
18 presentation regarding FTB's disaster relief efforts.
19 And this presentation is going to be made by Erin Carvel
20 and Tiphonie Weiss. This is an informational item. So
21 no action will be taken.

22 Good afternoon, ladies.

23 MS. WEISS: Good afternoon, Madam Chair and Board
24 Members. My name is Tiphonie Weiss, and I'm a Bureau
25 Director in the Accounts Receivable Management Division.

1 And I'm here with Erin Carvel, an Assistant Bureau
2 Director in the Filing Division.

3 We are grateful for this opportunity to share
4 Franchise Tax Board's efforts to support survivors of
5 disasters, and we want to thank you, our FTB Board
6 Members, for your support of these efforts, including
7 Controller Cohen's visit with our staff at the
8 Los Angeles Disaster Recovery Center.

9 As passionate public servants, FTB staff find it
10 humbling and fulfilling to serve Californians when they
11 need it most. When a disaster occurs, FTB and other
12 State agencies assist survivors in the recovery process
13 at local assistance centers and disaster recovery
14 centers under the coordination of the California
15 Governor's Office of Emergency Services, or Cal OES.

16 In addition, when a disaster is declared,
17 California may postpone filing and payment due dates and
18 suppress the mailing of notices and bills for the
19 affected areas.

20 Local Assistance Centers and Disaster Recovery
21 Centers are established upon request by the local city
22 or county to Cal OES following a disaster. These
23 centers are established in areas near the event
24 convenient for survivors.

25 At these centers, FTB assists survivors with the

1 following: how to claim a disaster loss; obtaining
2 copies of their returns; completing a change of address;
3 and other questions as needed, like filing and payment
4 due dates.

5 We also share disaster resources with the
6 survivor for future reference. And if appropriate at
7 that time, self-service is available on our web. And
8 sometimes we just listen. We're there to serve the
9 survivors.

10 The centers allow us to provide immediate
11 in-person support to a large number of survivors. As of
12 February 28th this fiscal year, 28 FTB staff have
13 assisted just over 4,300 survivors at 13 centers
14 associated with fires, including the recent Palisades
15 and Eaton Fires.

16 In fiscal year 2023-24, 15 FTB staff assisted
17 just over 800 survivors at 13 centers associated with
18 the Palm Fire, Tropical Storm Hillary, and the
19 January 2024 winter storms.

20 In fiscal year 2022-23, 41 FTB staff assisted
21 just over 2,200 survivors at 39 centers associated with
22 fires, a debris flow, the Ferndale Earthquake, and the
23 January 2023 winter storms.

24 While the need varies from year to year, FTB
25 staff are prepared to meet the call when it comes.

1 I'll now turn the time over to Erin to share more
2 about noticing and payment due dates.

3 MS. CARVEL: Thank you, Tiphannie.

4 When a disaster is declared by the Governor or
5 the President, FTB's Disaster Strike Team gathers to
6 discuss what relief options may apply depending on the
7 declaration.

8 One of our first action items, if appropriate, is
9 to suppress the mailing of notices to the impacted area.
10 If the declaration calls for individual assistance, FTB
11 quickly partners with the Department of Finance and the
12 IRS to discuss the postponement of income tax filing and
13 payments.

14 We communicate decisions quickly and promptly
15 publish relief information on our website.
16 Additionally, we share the information via tax news
17 flashes, social media, and with the tax professional
18 community. Our goal is to support the survivors and
19 allow them to focus on their health and safety.

20 I now want to share how FTB supported the
21 survivors of the L.A. County fires. The data I'm
22 sharing today is as of February 28th.

23 Our dedicated team served almost 3,800 survivors
24 since January 14th at the DRCs. Our website,
25 ftb.ca.gov, aims to be a one-stop shop for disaster

1 support. As disaster reliefs evolve, we update the
2 information on our website promptly. We share resources
3 available and have a robust collection of FAQs.

4 On January 11th, we placed a banner on FTB's home
5 page alerting taxpayers to a L.A. fires landing page
6 with information about services and relief available.
7 We have had over 19,000 visits to this site and more
8 than 3,500 to the FAQ page.

9 Given the magnitude of this disaster on
10 January 23rd, FTB created a special hotline and email
11 box for those impacted. Since then, FTB has assisted
12 158 callers and responded to 40 emails through these
13 dedicated channels.

14 While we still assist those who contact us
15 through our traditional routes, this extra hotline and
16 inbox allows our agents to provide support and help
17 faster. Our public-facing staff are trained in personal
18 and business taxes and are serving with compassion.

19 On January 13th, FTB suppressed the mailing of
20 bills and notices to L.A. and Ventura Counties for
21 30 days. On February 6th, we extended that suppression
22 an additional 30 days for L.A. County. Our
23 collaborations with the Department of Finance and the
24 IRS allowed us to postpone the return filing and
25 payments of income taxes until October 15th for

1 L.A. County.

2 Additionally, we've enhanced and prioritized
3 other supportive services. We've increased visibility
4 and access to our waivers of statute of limitations. We
5 are offering free copies of prior year tax returns and
6 tax forms. And we are expediting the processes of our
7 power of attorney requests and returns for L.A. County.

8 Tiphonie will now share more information about
9 helping at the DRCs.

10 MS. WEISS: Thank you, Erin.

11 We'd like to conclude with sharing some personal
12 experiences from FTB staff who've helped survivors.
13 When asked how they feel about serving at the most
14 current Disaster Recovery Centers, we received a lot of
15 inspiring responses.

16 This is one example from an FTB employee who
17 lives in the L.A. area and served at the Recovery
18 Centers.

19 "Volunteering to assist survivors of the recent
20 fire at the Pasadena and Altadena locations was a deeply
21 humbling experience. They gave me a new perspective on
22 the hardships faced by those who lost everything. Many
23 survivors were overwhelmed by their circumstances, but
24 they greatly appreciated the support we provided, from
25 helping them access tax records to guiding them on

1 disaster-related tax deductions. I listened to
2 heartbreaking stories of loss, and while I wished I
3 could do more, I was reminded of the profound impact
4 that simply being present and offering assistance can
5 have. Survivors expressed gratitude not just for the
6 help we provided but for the compassion and attention we
7 gave them, which brought them comfort during a difficult
8 time. Many survivors were impressed by how the federal,
9 state, and local government agencies came together in a
10 single location to assist them, and I was grateful to be
11 a part of an effort that provided them much-needed
12 support."

13 And now I'll turn the time over to Erin to share
14 one last personal experience that captures why we are so
15 passionate about serving our fellow Californians.

16 MS. CARVEL: October 17th, 1989, is a day I'll
17 always remember. I was setting the dinner table when I
18 heard what I thought was a train roaring through the
19 canyon behind our house. As the noise grew louder, our
20 home started shaking. The Loma Prieta earthquake hit,
21 and I was terrified.

22 When the shaking stopped, our home was destroyed.
23 It moved nearly a foot off of its foundation. I recall
24 helping my mom find shoes for my younger siblings and
25 going to our neighbor's house. But I also remember the

1 extremely kind strangers that showed up with water and
2 food and medical supplies. I remember my parents taking
3 us to the community center to get help and resources,
4 where they left us with a kind woman who was reading
5 stories and had coloring books.

6 Disasters like the L.A. fires or the Loma Prieta
7 earthquake impact people. They impact families and
8 children. And I vividly recall that October day and how
9 people came together to support one another.

10 It is an honor and a privilege to serve on FTB's
11 Disaster Strike Team and to support those impacted to
12 help repay the kindness that was shown to my family in a
13 time of need.

14 We want survivors to focus on what's most
15 important: their health, their safety, and their loved
16 ones. Our team at FTB truly cares about the people we
17 serve. Contributing to a caring community is one of our
18 core values for a reason. It's a cornerstone in how we
19 approach aiding California's taxpayers.

20 Thank you so much for the opportunity for us to
21 share today about our efforts to support those impacted
22 by disasters and our passion for truly serving.

23 CHAIRPERSON COHEN: Thank you very much. I
24 appreciate you particularly sharing the testimony of
25 people who have received benefits and those that

1 actually volunteered.

2 It was a powerful experience for me to go down to
3 the DRC. The FTB staff was incredible, very upbeat and
4 jubilant, given the seriousness and the gravity of the
5 situation. So I appreciate the update.

6 Let me turn to my colleagues to see if there's
7 any questions or comments that you wanted to share.

8 MEMBER GAINES: Yeah. If I could, just briefly.

9 CHAIRPERSON COHEN: Yes.

10 MEMBER GAINES: I had an opportunity to go down
11 to the Pacific Palisades Fire and get a tour with Fire
12 Chief at CAL FIRE. And, you know, we've seen a lot of
13 fires in my part of California, the part I represent.
14 But it was at a different level in L.A. because, I mean,
15 you just saw block after block after block burned down.
16 And I was just amazed at -- he had explained -- the fire
17 chief -- that a house, just through a transfer of
18 heat -- you know, so you might have a house burning on
19 the block, and just the transference of the heat from
20 that house to the next house can cause it to burn up.

21 And so you just saw lots of homes that just went
22 up in flames even though there wasn't an ember that
23 necessarily landed on the roof or anything. It was just
24 the actual heat transfer. Devastating, just
25 devastating.

1 And so I appreciate what the Franchise Tax Board
2 does in terms of providing some relief on the tax front
3 for folks who are going through those difficult times.
4 And thank you for your presentation.

5 CHAIRPERSON COHEN: All right. Any comments
6 from --

7 MEMBER ANDRIANARIMANANA: I just want to say
8 that, you know, my heart goes out to all of the
9 Californians in the L.A. area that was impacted by the
10 fires, really devastating. And appreciate all of the
11 efforts and assistance that FTB has been providing to
12 help and assist and, you know, provide anything that
13 they can to focus on what they are going through and not
14 to worry about, you know, taxes and all of that.

15 So appreciate all of the efforts by the FTB staff
16 to make that transition and to help assist there.

17 CHAIRPERSON COHEN: I have a quick question, a
18 couple questions just about lessons learned. Right?
19 I'm always looking to better our best and continue to
20 learn and grow from tragedies.

21 So I was wondering if you could answer this
22 question. What are the most effective forms of
23 communication by the Franchise Tax Board during times of
24 disaster?

25 MS. CARVEL: I can speak to that, at least from

1 the Disaster Strike Team stance.

2 We've really found that publishing everything on
3 our website up front and early is really helpful.
4 Another key lesson learned that we had in communication
5 was engaging with our tax practitioner community. They
6 have been fantastic partners in making sure that they're
7 able to help the people that they work with to file
8 accurately, to understand the relief available.

9 So those have been some of our best messages of
10 communication, from my stance.

11 Tiphannie, anything to add?

12 MS. WEISS: I agree. I think it's a -- we found
13 that it's multiple fronts. So what the Disaster Strike
14 Team was sharing on the web, we were also making sure
15 that we were sharing that information at the Disaster
16 Recovery Center. So just multiple fronts of
17 communication.

18 CHAIRPERSON COHEN: Speaking of multiple fronts
19 of communication, was there also multiple languages
20 communicated within?

21 MS. CARVEL: Yes, there are. So at the Disaster
22 Recovery Centers, we make every effort to have bilingual
23 staff available. If they're not, we're typically able
24 to serve survivors still at that time by calling team
25 members at our field offices to assist with translation.

1 In addition, our Publication 1034 is available in
2 Spanish, and we have multiple web pages available in
3 multiple languages. So we do work hard on that front as
4 well.

5 CHAIRPERSON COHEN: All right. All right. Thank
6 you. I have no further questions. I appreciate the
7 presentation. Thank you. Very good job to the
8 Franchise Tax Board members that volunteered.

9 Is there any member of the public that wish to
10 speak on this item in person?

11 (No response.)

12 CHAIRPERSON COHEN: Seeing none, is there
13 anything online, on the teleconference line?

14 PHONE MODERATOR: Members of the public on the
15 phone lines, if you would like to place yourself in
16 queue for public comment, please press 1, followed by 0,
17 at this time; 1, followed by 0.

18 (No response.)

19 PHONE MODERATOR: No members of the public are
20 queueing up at this time. Please continue.

21 CHAIRPERSON COHEN: All right. Thank you.

22 We will continue with Item 3 on the agenda. It's
23 a presentation regarding updates on the Direct File and
24 VITA, presented by Patricia Carte and Johanna Hanson.
25 And, again, this is an informational item.

1 MS. CARTE: Good afternoon, Madam Chair and Board
2 Members. My name is Patricia Carte, and I'm a Bureau
3 Director in the Filing Division. I also serve as the
4 Business Director for the Direct File project. Joining
5 me is my Filing Division colleague Johanna Hanson.

6 We're here to share about some free tax filing
7 platforms available to taxpayers, including Direct File,
8 CalFile, and the Volunteer -- Volunteer Income Tax
9 Program Assistance -- Assistance Program, better known
10 as VITA. That was a mouthful. Volunteer Income Tax
11 Assistance Program. We will briefly go over the
12 respective platforms and share some of the great work
13 currently happening.

14 We are here -- to give you some background, in
15 2024, the IRS launched the Direct File tool as a pilot
16 program. This free tool provides taxpayers a secure way
17 to electronically file their federal tax return directly
18 with the IRS. Direct File walks the taxpayer through a
19 question-and-answer format to help the taxpayer complete
20 their federal tax return.

21 Last season, approximately 31,000 California
22 residents filed their federal return through Direct
23 File. In late 2024, the IRS announced Direct File would
24 be a permanent offering.

25 CalFile is the state tool that offers California

1 taxpayers a secure way to electronically file their
2 state tax return. We launched CalFile in 2003, and it's
3 been a valuable tool for California taxpayers to file
4 for free directly with FTB. CalFile eases the filing
5 burden for taxpayers by guiding them through the return.
6 It's a quick and easy online process which takes about
7 15 to 30 minutes to complete.

8 Today, these two systems are independent of each
9 other. Eligible taxpayers file their federal return in
10 Direct File. Upon completion, Direct File provides a
11 link for the California taxpayers to the CalFile landing
12 page. The taxpayer is then prompted to create a MyFTB
13 account, and then they're able to file their state
14 return directly with FTB. At this time, no federal data
15 is brought over.

16 Currently, we meet with the IRS monthly and are
17 in the process of building a data bridge, also known as
18 an application programming interface, or API, to allow
19 the taxpayer to bring their federal data to CalFile.
20 CalFile will use that information to help prepopulate
21 details on the state tax return.

22 We are on track to release the data bridge in
23 January 2026. Once that's released, we'll work on
24 refreshing the CalFile experience to make it a little
25 more user-centric, with the new data being brought over

1 from Direct File. The refreshed look and feel is
2 expected to go live January 2027.

3 As we are working with the IRS to build the API,
4 we've put a heavy emphasis on marketing and outreach.
5 Our team has created and pushed a variety of tools with
6 the support of our community partners and peer agencies.
7 When developing content, we took into consideration
8 things we were learning and hearing from our monthly
9 meetings with the Department of Treasury, which includes
10 ideas and participation from other states engaged in
11 Direct File.

12 We now market the service alongside CalFile on
13 our home page. We added a Direct File link on our "File
14 Online" web page, which highlights various ways to file
15 for free. We also created our own Direct File web page
16 that provides details about our ongoing efforts,
17 including a link to the IRS Direct File tool, a video we
18 created that talks about the CalFile-Direct File
19 connection, links to various articles, and an FAQ
20 section.

21 Our team also created a social media toolkit. We
22 developed this content with our skilled curators as well
23 as the IRS. It includes short catchphrases and relevant
24 pictures, like the ones you see on screen. Our toolkit
25 has been sent to our outreach partners and can be seen

1 on our FTB social media accounts.

2 Recently, in our social media campaign, we shared
3 a video created by our very own Chair-Controller Cohen
4 supporting Direct File. That video is also being played
5 in our field office locations.

6 Finally, we've created posters and flyers that
7 have been distributed to food banks throughout the state
8 and with our Foster Youth partners, many of which are
9 colleges. We've added Direct File content to some of
10 our core printed booklets, including the California
11 Personal Income Tax booklet and the CalEITC booklet. In
12 addition, we worked with the Department of Health Care
13 Services and added Direct File detail in the EITC letter
14 they send out to approximately 9 million recipients.

15 FTB's Direct File team has been busy trying to
16 help get the word out.

17 That's everything I have to share today. So I'm
18 going to turn over the presentation over to Johanna to
19 share about our VITA program.

20 MS. HANSON: Thank you, Patricia.

21 Good afternoon, Madam Chair and Board Members.
22 My name is Johanna Hanson, and I'm a Manager in the
23 Filing Services Bureau.

24 I'm here to proudly share an overview and update
25 on the Volunteer Income Tax Assistance Program, more

1 commonly referred to as VITA.

2 VITA is a federal program administered by the IRS
3 that partners with State agencies, community-based
4 organizations, and other partners that offer free basic
5 tax preparation services.

6 The benefits VITA provides to taxpayers include
7 trust in knowing their tax returns are prepared by
8 volunteers that go through tax law training and must
9 receive IRS certification annually; security in knowing
10 their personal and tax information is safeguarded and
11 kept confidential at all times; and the convenience of
12 most tax preparation sites being located within or near
13 their communities, which provides easy access to their
14 services.

15 To qualify for VITA services, an individual can
16 meet any one of the following criteria. Generally, they
17 should earn under \$67,000 per year, have disabilities,
18 be limited English speaking, or if they're active duty
19 or retired military personnel, or their dependents.

20 Also, free tax assistance is offered through Tax
21 Counseling For the Elderly, which works hand in hand
22 with VITA and serves those over 60 -- age over 60 --
23 those aged 60 and over. Sorry.

24 This tax season in California, there are
25 currently 709 VITA sites that serve taxpayers through

1 drop-off and in-person services.

2 Now I would like to talk about the role of FTB's
3 VITA program.

4 Our program provides training, resources, and
5 support to our statewide community partners who
6 coordinate free tax preparation events. A critical
7 component of VITA's ability to provide free tax
8 preparation is the recruitment and training of
9 volunteers.

10 For this tax season, 99 FTB volunteers became
11 certified and are now out in the community serving
12 California taxpayers. Additionally, our various
13 community partners recruit VITA volunteers for their
14 respective organizations as well.

15 FTB's VITA team is relied upon to provide
16 extensive training to site coordinators and volunteers.
17 For this filing season, 40 training sessions, including
18 2 with military bases, were held, training over 1,400
19 external volunteers.

20 FTB's VITA team also updates and posts training
21 videos annually on our public website. Cumulatively,
22 this year's videos have over 6,000 views within the last
23 3 months.

24 The VITA team also supports tax preparation
25 events, including working with the IRS, fulfilling

1 volunteer needs, and performing quality review of
2 returns prepared. This tax season, FTB's VITA team is
3 assisting at 18 local tax preparation events. Last
4 season, FTB volunteers filed over 4,000 tax returns.

5 And last season, VITA volunteers throughout the
6 state helped taxpayers file over 272,000 returns. We're
7 looking forward to seeing this season's results.

8 VITA's marketing and outreach is done through a
9 combination of efforts. The majority of the marketing
10 is done by the community partners who host the events.
11 This is going to include marketing in locations such as
12 community centers, churches, colleges, and radio ads.

13 During filing season, the 211 information line
14 can connect a taxpayer with a specialist to help find
15 and set an appointment at a tax preparation event.
16 Also, FTB's website contains VITA information and a site
17 locator, where an individual can input their ZIP code,
18 city, county, or even a preferred language to find a tax
19 preparation event and learn how to make an appointment
20 at any one of the over 700 VITA sites.

21 State of California employers also provide
22 information to their employees about tax credits and
23 free tax preparation through VITA. These efforts, along
24 with the IRS's marketing, can point taxpayers to one of
25 the many VITA sites.

1 I want to close by sharing that VITA will
2 continue to serve as a resource for free tax preparation
3 for qualified individuals, even as Direct File and
4 CalFile expand their assistance and customer base.
5 FTB's VITA program will also help share information
6 about the benefits of Direct File and CalFile,
7 especially to those who do not qualify for tax
8 preparation assistance through VITA.

9 We will continue to strive to help taxpayers meet
10 their tax filing obligations in ways that are easy to
11 use and best suit their needs.

12 That will conclude the Direct File, CalFile, and
13 VITA update. Patricia and I would like to thank the
14 Board for their time, and we're happy to answer any
15 questions you may have.

16 CHAIRPERSON COHEN: Thank you. I do have a
17 question.

18 Are there any shortcomings in this program?
19 Anything that didn't work well, building off of what we
20 learned from last year and as we continue to move on
21 into the future?

22 Is it communication? Is it access to people? Do
23 you need more partners? I mean, what is not working?

24 MS. HANSON: I would say there's always the
25 opportunity to increase the number of volunteers.

1 There's always the opportunity to increase the number of
2 sites. I think there's always the opportunity to
3 increase the marketing that's out there. But I think
4 overall, the VITA program is working well. We're able
5 to assist a lot of California taxpayers and a lot of
6 communities.

7 CHAIRPERSON COHEN: And how do you evaluate that
8 the VITA program is working well? Like, what's the
9 metric that you use to determine that?

10 MS. HANSON: The number of returns that are filed
11 each year continue to grow.

12 CHAIRPERSON COHEN: Okay.

13 MS. HANSON: And I think awareness of the program
14 continues to grow. The number of returns that see EITC
15 Credits and Young Child Tax Credits and Foster Youth Tax
16 Credits continue to grow each year.

17 CHAIRPERSON COHEN: Next year, it would be
18 helpful if you had a slide that can make a comparison.

19 MS. HANSON: Okay.

20 CHAIRPERSON COHEN: So, you know, utilizing this
21 year's numbers, comparing it to last year's numbers and
22 the previous years. I don't know. Maybe you go back
23 five years. I don't know if we have that much
24 information.

25 But that way, we would be able to quantify our

1 success, besides just feeling good about ourselves
2 helping people.

3 One other thing that I know is really important
4 is taxpayer data. Taxpayer data security is really
5 paramount. And not only to the Franchise Tax Board but
6 also to the IRS and to tax filers. Everyone wants to
7 know that their information is going to be not stolen
8 and sold on the dark web.

9 I'm wondering if there are any additional
10 protocols that need to be put into place, from your
11 vantage point.

12 MS. HANSON: For the VITA program --

13 CHAIRPERSON COHEN: Uh-huh.

14 MS. HANSON: -- the IRS sets forth most of the
15 requirements for the security protocols --

16 CHAIRPERSON COHEN: Okay.

17 MS. HANSON: -- that each of the VITA sites
18 follow. So -- and taxpayer security is at the top of
19 their priorities as well.

20 CHAIRPERSON COHEN: Okay. And the budget for
21 outreach, whether we're talking to potential families,
22 tax filers, or volunteers, what is that budget?

23 MS. HANSON: For the FTB's VITA program?

24 CHAIRPERSON COHEN: Yes.

25 MS. HANSON: I don't have that information, but

1 I'm happy to get that for you.

2 CHAIRPERSON COHEN: Okay. Next year, let's go
3 ahead. What are we spending? Can we spend a little
4 more? I don't know.

5 Question?

6 MEMBER ANDRIANARIMANANA: Yeah. Thank you so
7 much for the presentation. Very helpful information. I
8 just had a couple follow-ups.

9 I think you noted that there were 31,000
10 Californians who used Direct File in 2024. I'm curious
11 as to how many used CalFile.

12 And then second part of my question, what kind of
13 taxpayer is eligible or best suited to use those free
14 filing systems, so Direct File and CalFile, and any
15 overlap between the two?

16 MS. CARTE: Sure. So CalFile, on average, gets
17 about 100,000 returns. That's about the average, plus
18 or minus 10,000. I think some of the hotter years we
19 were a bit higher than that. But right around 100,000
20 is about the average for that.

21 And I totally blanked on your second part.

22 MEMBER ANDRIANARIMANANA: What type of taxpayers
23 are best suited to use those, you know, free filing
24 systems and programs? Yeah.

25 MS. CARTE: So the CalFile and Direct File really

1 has to be a DIY-type person who is willing to take the
2 adventure. It's really simple. I worked it with my son
3 a couple weeks ago. He's 22, college student. And he
4 was able to follow the prompts and navigate through once
5 he had all his paperwork together.

6 So it's typically your low -- your easiest
7 filings. So, like, a W-2 earner.

8 There's set limits on AGI. I don't remember them
9 offhand. I think one is 80,000. And I think for
10 CalFile, it depends on your filing status as to how high
11 it can go. I feel like it goes up to about 250,000,
12 though.

13 So it tends to be more of your income wage
14 earners that use these facilities.

15 And then with VITA, it tends to be those that
16 are -- like, I think they get a lot of English as a
17 second language. So they have some comfort in the
18 person sitting there with them. They tend to recruit or
19 have sites within the lower-income areas to get people
20 out to do it that way too.

21 MEMBER ANDRIANARIMANANA: Thank you so much.

22 MEMBER GAINES: Yeah. Thank you for your
23 presentation. Appreciate it.

24 I was just curious. On this IRS Direct File, you
25 mentioned that it can connect to CalFile, and it sounds

1 like it would populate data?

2 MS. CARTE: So currently, CalFile can actually
3 pull data from within FTB's systems if you have a MyFTB
4 account.

5 When we build this API, the data bridge, we'll be
6 able to leverage the input that the data taxpayer does
7 at Direct File. So they'll be able to bring that
8 information over, and then we'll prepopulate in the
9 background there too. So it's an added feature.

10 MEMBER GAINES: Would that be next year?

11 MS. CARTE: Correct.

12 MEMBER GAINES: Yes. Okay.

13 MS. CARTE: January 2026.

14 MEMBER GAINES: Okay. That's great. Wonderful.
15 Thank you.

16 And you mentioned the 211 number. So is that --
17 could any taxpayer call that number and ask a question?

18 MS. HANSON: Yes. Oh, sorry.

19 Yes.

20 MEMBER GAINES: Okay.

21 MS. HANSON: So that's -- it's just from any
22 phone. It's -- the community-based organizations have
23 partnered with 211 so that they have all the information
24 of the VITA sites within there. So they'll have the
25 information on the locations, the languages spoken, and

1 how to set up an appointment.

2 MEMBER GAINES: Okay. So that is -- that's a
3 number specific to VITA?

4 MS. HANSON: Yes -- well, no. I'm sorry. It's
5 one of the functions within 211. So you can call 211
6 for any number of community services --

7 MEMBER GAINES: Okay.

8 MS. HANSON: -- and assistance.

9 MEMBER GAINES: Okay. And tax questions are one
10 of them?

11 MS. HANSON: Yes. During filing season.

12 MEMBER GAINES: Okay. That's great.

13 And then you also -- I think you mentioned that
14 there's some qualifications that qualify -- or that you
15 have to satisfy in order to use VITA. And one of them
16 is age?

17 MS. HANSON: So Tax Counseling For the Elderly
18 Program, which works hand in hand with VITA, is set up
19 to serve taxpayers that are age 60 and over.

20 MEMBER GAINES: Okay. And then is that also
21 income tested too or --

22 MS. HANSON: No. The income limits wouldn't
23 apply for the age if you're 60 or over.

24 MEMBER GAINES: Yeah. Okay. Yeah, very good.
25 Thank you. Appreciate it.

1 MS. HANSON: You're welcome.

2 CHAIRPERSON COHEN: All right. We're going to go
3 to public comment.

4 If there are anyone -- any members of the public
5 in this chamber that would like to comment on this item,
6 please come on up to the podium. And just as a
7 reminder, you'll have three minutes to make your
8 comment.

9 And if there's anyone online or on the
10 teleconference line, we will acknowledge you as soon as
11 we finish public comment in the chamber.

12 Go ahead.

13 MS. OROZCO: Thank you.

14 CHAIRPERSON COHEN: Let's get her mic on.

15 MS. OROZCO: There we go. Okay.

16 Good afternoon. My name is Vanessa Orozco, and
17 I'm here on behalf of Golden State Opportunity. We want
18 to express our appreciation for the work being done to
19 expand free tax filing options through CalFile,
20 Direct File, and VITA. These tools are incredibly
21 valuable in making tax filing options more accessible
22 and affordable for Californians.

23 Golden State Opportunity is 1 of the 12 grantees
24 doing the outreach and education for free tax
25 preparation by partnering with established, trusted

1 community-based organizations that work directly with
2 working Californians struggling to make ends meet. We
3 know how important it is to not only provide these
4 resources, but more importantly, we know it's equally
5 vital to ensure that people feel comfortable using them.
6 Trust is key.

7 Many individuals turn to community-based
8 organizations because they feel more at ease asking
9 questions and getting guidance from familiar local
10 partners, partners that often speak their own language
11 and have roots in the community by providing a wide
12 range of services, including free tax prep.

13 We are grateful for the collaboration between
14 government agencies and community organizations, and we
15 encourage continued investments and outreach that meets
16 people where they are. By strengthening these
17 connections, we can help more Californians take
18 advantage of free filing options and keep more of their
19 hard-earned money.

20 Thank you for your time and for your commitment
21 to making tax filing easier for all. We look forward to
22 continuing this important work together. Thank you.

23 MS. BAUTISTA: Hello. Good afternoon. My name
24 is Danielle Bautista, and I'm a policy director with
25 United Ways of California. Good afternoon, Member Chair

1 and Board Members.

2 We also want to express our sincere gratitude for
3 FTB for working on the Direct File and CalFile data
4 bridge connection as well as VITA outreach. We know
5 that this funding and this work is critical to ensuring
6 that even more Californians have access to these free
7 filing options.

8 And speaking of free filing options, I wanted to
9 uplift that in tax year 2024 alone, United Ways of
10 California grantees and partners saw a 16 percent
11 increase in federal returns, 10 percent increase in
12 state returns, 25 percent increase in I-10 applications,
13 and helped Californians, we estimate, save over 36 --
14 37.6 million in paid preparer fees.

15 I also want to express that that money saved goes
16 back into the pockets of Californians and, therefore,
17 back into local economies.

18 I'll also mention that United ways of California
19 grantees and partners, through their VITA volunteers,
20 helped local communities claim over 42 million in the
21 Federal EITC and over 35 million in the Child Tax
22 Credit.

23 So as you can see, on-the-ground partners are
24 doing amazing work, helping connect Californians to not
25 only free tax prep but tax credits, federal and

1 statewide, as well as I-10 applications as well.

2 We know that the funding for free tax prep and
3 education and outreach programs is critical to, again,
4 ensuring that these resources, this free tax prep,
5 access to tax credits and I-10 applications remains free
6 to Californians.

7 We look forward to working -- continue working
8 with the Franchise Tax Board, and we strongly support
9 expanding and restoring these investments to free tax
10 prep and outreach and education. Now more than ever,
11 this funding is critical to reach California households
12 and communities. Thank you so much.

13 CHAIRPERSON COHEN: Thank you.

14 Are there any other members of the public that
15 would like to speak?

16 (No response.)

17 CHAIRPERSON COHEN: All right. Let's go to the
18 teleconference line, see if there's anyone that would
19 like to comment.

20 PHONE MODERATOR: Thank you.

21 Members of the public on the phone lines, if you
22 would like to place yourself in queue for public
23 comment, as a reminder, you may press 1, followed by 0,
24 at this time; 1, followed by 0.

25 (No response.)

1 PHONE MODERATOR: And no members of the public
2 are queueing up at this time.

3 CHAIRPERSON COHEN: All right. Thank you.

4 Thank you very much for your presentation,
5 ladies. See you again next year.

6 We're going to move on to Item 4 on the agenda,
7 which is also another presentation. This is a
8 presentation of FTB's 2024 accomplishment. It's going
9 to -- accomplishments. It's going to be presented by
10 Ms. Iris Solis as well as Sheena VanMeter. This is
11 again an informational item. So no action will be
12 taken.

13 MS. SOLIS: Good afternoon, Madam Chair and Board
14 Members. I'm Iris Solis. I'm an Information Officer in
15 the Public Affairs Office. And with me is Sheena
16 VanMeter, an Administrator in the Administrative
17 Services Division. We are delighted to be here today to
18 present FTB's 2024 accomplishments video.

19 As we mark FTB's 95th anniversary, we look back
20 on a year full of accomplishments and milestones, and
21 there's so much to celebrate. And as you'll see in the
22 video, our dedication to delivering exceptional service,
23 ensuring effective compliance, fostering organizational
24 strength, and driving operational excellence is stronger
25 than ever. These goals continue to guide our efforts as

1 we work to serve California taxpayers.

2 We would also like to thank the multimedia team
3 for their outstanding work in producing the video.
4 They've done a remarkable job capturing the hard work
5 and commitment of our entire team, and we are very proud
6 to showcase it today.

7 Now I'll turn it over to Sheena, who will
8 highlight some of the key accomplishments from this past
9 year.

10 MS. VANMETER: Thank you, Iris.

11 Here are just a few of the notable achievements
12 from 2024.

13 FTB's commitment to community outreach and
14 support was exemplified by the Volunteer Income Tax
15 Assistance Program, or VITA. In 2024, FTB volunteers
16 provided free tax preparation services to
17 4,400 taxpayers, playing an essential role in helping
18 California families who might otherwise struggle with
19 filing get the assistance they needed to file their
20 returns with confidence and ease.

21 Our dedicated fraud prevention unit continued to
22 identify and stop fraudulent returns. This past year,
23 they prevented over \$900 million in fraudulent claims
24 from being paid. Their efforts were vital to
25 maintaining the integrity of California's tax system

1 while protecting taxpayers from fraud.

2 We also made significant strides in strengthening
3 our workforce, emphasizing both recruitment and staff's
4 professional growth. Through career expos and internal
5 development programs, we're investing in the people who
6 will drive our mission forward and continue to meet the
7 evolving needs of California taxpayers.

8 Now please enjoy the video.

9 (Video played.)

10 MS. VANMETER: Okay. Thank you for watching and
11 celebrating our 2024 accomplishments with us this
12 afternoon. We would be happy to answer any questions
13 you may have at this time.

14 CHAIRPERSON COHEN: Thank you.

15 Colleagues, do you have any questions?

16 Mr. Gaines.

17 MEMBER GAINES: I want to thank you for that.
18 It's very impressive.

19 And I guess the question I always ask of any
20 organization is that what sort of reflection is
21 happening, in terms of what's not working right and
22 where that improvement -- and Controller Cohen mentioned
23 that a little earlier in our meeting. Because I think
24 to the degree that we can be prepared for the
25 unexpected, in a sense; right? Like, what could be a

1 worst-case scenario of something happening that would
2 impact our ability to function at the FTB, and then what
3 sort of steps are in place in order to mitigate or
4 prevent some of those things from happening?

5 And that's something I would like to learn more
6 about, because my sense is that that is happening to a
7 certain degree, but I don't know to what degree. And
8 would just like to be brought up to speed on that.

9 But wonderful presentation and well done. So
10 thank you.

11 MS. VANMETER: Thank you.

12 Shane, is that something that you would be able
13 to speak to?

14 MR. HOFELING: You bet I'd be happy to.

15 We are happy to get you more information about
16 that. I would say, obviously, worst-case scenario for
17 us would be a problem with receiving filings during tax
18 season. We have a dedicated team that works really hard
19 on that. We have people here around the clock on that
20 today and several contingency plans in case that ever
21 happened.

22 With things not working right, we always try to
23 strive to be our best, and we know best may never be
24 achievable, but we keep trying to get there. So we
25 always look at ways that we can make taxes easier and

1 more efficient for our fellow Californians.

2 And we'll get you additional information about
3 different mechanics of that.

4 MEMBER GAINES: Great. Thank you.

5 MEMBER ANDRIANARIMANANA: Congratulations, and
6 creative presentation. Great video.

7 I don't have a question, just a comment, that
8 it's been really interesting to see kind of how FTB has
9 evolved. There has been challenges after challenges in
10 our state, depending on disasters. It seems like there
11 is no normal year anymore.

12 And so just kind of FTB's ability to adapt and,
13 you know, kind of still find efficiencies, still find
14 ways to do its job has been great. And then also just
15 the volume of everything that we do in California, the
16 number of taxpayers. You know, everything is large
17 numbers. So it's a very well-oiled machine.

18 So yeah. Thank you for all you do. And yeah.
19 So a comment, no questions.

20 CHAIRPERSON COHEN: Thank you. I too want to add
21 my voice in expressing my gratitude for the work that
22 you're doing on behalf of 40 million Californians. Tax
23 filers are very lucky to have the Franchise Tax Board
24 around for 95 years.

25 I too would love to -- you have five years to

1 work on this project -- to see what FTB was 100 years
2 ago and where we will be in 5 years. And then even to
3 hear your projections where we will be 50, 100 years
4 into the future.

5 I don't have any questions. I just want to,
6 again, just extend my thanks to everyone. This is one
7 of the highlights, I think, of the year, is when you get
8 this very slick, produced video of the highlights of
9 FTB. It's really nice to hear. But I would like to see
10 a slick video of all the problems. Just kidding.
11 Actually, I wouldn't.

12 But I want to encourage you to always not put a
13 rosy, happy face on everything. We live in America, and
14 although California is the fifth largest economy in the
15 world, we are not without our challenges. And I always
16 want to hear how we can continue to increase our
17 service, to increase our ability to meet Californians
18 where they are. And in order for us to do that, we have
19 to know exactly where the shortcomings are.

20 So sometimes in presentations like this, you show
21 the happy side of things and not necessarily the
22 underbelly. And so maybe take some time just to say,
23 "Hey, opportunity for growth here," one or two slides,
24 and strategies on how we begin to chop that down.

25 But overall, it is a great puff piece that makes

1 you feel good. I hope you guys are proud to work at the
2 Franchise Tax Board. This is actually one of the most
3 stellar organizations, not only in the state of
4 California but certainly across the world. This
5 organization is the industry standard on how to
6 facilitate -- yes, thank you. I totally agree with you.

7 (Applause.)

8 CHAIRPERSON COHEN: -- is absolutely the industry
9 standard when it comes to facilitation in utilizing
10 technology, protecting data, being innovative, being
11 inclusive. It seems like an everyday thing for us here,
12 but I want to acknowledge that that's not every day for
13 everyone that live in the United States. So my hats off
14 to the Executive Team as well as all the Bureau Chiefs
15 and Division Chiefs and everyone that makes it happen.

16 So with that, I'm going to go ahead to pivot to
17 public comment.

18 If there's any member of the public that's in
19 this chamber that would like to comment, please come up
20 here. You'll have three minutes. Don't rush all at the
21 same time.

22 (No response.)

23 CHAIRPERSON COHEN: Okay. Maybe we have more
24 commenters online. Let's see. Let's check our
25 teleconference line.

1 AT&T, are you there?

2 PHONE MODERATOR: Yes.

3 Ladies and gentlemen on the phone lines, if you
4 would like to place yourself in queue for public
5 comment, as a reminder, you may press 1, followed by 0,
6 at this time; 1, 0.

7 And we will go to the line of Christina --
8 Christine Grab --

9 CHAIRPERSON COHEN: Great.

10 PHONE MODERATOR: -- who is a private -- her
11 organization is private.

12 Please go ahead.

13 MS. GRAB: At the Board meeting two or three
14 years ago -- I can't remember which one, the
15 March one -- FTB disclosed that it was falsely imposing
16 fees and penalties as a result of customer service
17 failures. FTB gave itself a \$25 million budget increase
18 in order to hire more staff in order to stop these
19 customer service failures.

20 Usually at the March meeting you guys disclose
21 statistics such as how long the wait time is on the
22 phones, what percentage of calls are answered; how long
23 the wait time is on the chat, what percentage of chats
24 are answered.

25 None of those statistics were on here. If they

1 were, I missed them, because I was kind of looking at
2 the screen while listening on the phone. So maybe it's
3 possible I could have missed them.

4 But if I did, please reiterate, like, what those
5 statistics are. Because we want to know that a
6 \$25 million raise that we gave you guys has stopped this
7 false imposition of penalties and interest.

8 CHAIRPERSON COHEN: Is that it, Mr. AT&T?

9 MS. GRAB: That's it.

10 CHAIRPERSON COHEN: Okay. Thank you. I
11 appreciate your comments, commenter. I just wanted to
12 let you know that that information that you are looking
13 for will be presented at the June meeting.

14 MS. GRAB: Okay. Great. Thank you.

15 CHAIRPERSON COHEN: You're welcome.

16 Next caller.

17 (No response.)

18 CHAIRPERSON COHEN: Okay.

19 PHONE MODERATOR: There are no members of the
20 public queueing up at this time. Please continue.

21 CHAIRPERSON COHEN: Okay. Thank you.

22 We will continue. We're going to continue with
23 Item Number 5.

24 Thank you, ladies. I appreciate the
25 presentation.

1 I guess you guys just come here for fun; right?
2 You just come here to receive information. You don't
3 want to comment on it. Is that what it is? Okay. You
4 want to know what's going on in the organization. So
5 what better place to come than to the Board meeting? I
6 got ya.

7 Well, we're going to go on to Item 5. Item 5 is
8 a presentation of EDR2, which many of you know has been
9 a long-standing project here at the Franchise Tax Board.
10 We're going to hear from old faithful, Jose Orozco, and
11 Jennifer Roussel. This is an informational item. And
12 we've heard from them on an annual basis. Look forward
13 to hearing their updates on this important technology
14 project.

15 Thanks, Jose.

16 MR. OROZCO: Thank you. Good afternoon, Madam
17 Chair and Members of the Board. I am Jose Orozco, the
18 EDR2 Technology Director. And with me today is Jennifer
19 Roussel, the EDR2 Business Director.

20 We will provide an informational update for you
21 today on the second phase of our Enterprise Data to
22 Revenue Project, also known as EDR2, starting with the
23 project's background.

24 In 2007, FTB created a tax system modernization
25 plan. This plan outlined 3 large-scale projects over

1 30 years focusing on: modernizing our aging IT systems;
2 implementing business opportunities and objectives;
3 improving taxpayer services, effective compliance, and
4 operational excellence.

5 This 30-year vision comprises of 3 large-scale
6 projects, each taking approximately 10 years to complete
7 from planning through implementation, with each project
8 building upon the previous.

9 The primary focus of EDR2 is to transition our
10 aging audit, collection, and filing enforcement systems
11 onto the enterprise tax system created in EDR1.
12 Replacing these systems is essential to the continuity
13 of our operations, providing excellent customer service,
14 and ensuring taxpayers meet their tax obligations.

15 The transition to one enterprise system will
16 reduce the number of systems our staff need to access to
17 perform their work, reduce the number of antiquated
18 technologies that we must support, enhance our workload
19 management, and automate manual processes.

20 In addition to moving to one enterprise tax
21 system, EDR2 will offer new self-services to improve
22 customer experience and compliance; new modeling
23 capabilities that will improve our Audit and Filing
24 Enforcement case selection, helping to address the tax
25 gap; and new data visualizations, which will expand our

1 current reporting and dashboarding capabilities to
2 manage inventory and identify trends.

3 I will turn it over to Jennifer to discuss our
4 implementation efforts.

5 MS. ROUSSEL: Thank you, Jose.

6 Good afternoon, Chair and Board Members. My name
7 is Jennifer Roussel, and I'm the EDR2 Business Director.

8 Before we started implementing functionality in
9 the areas that Jose described, we implemented several
10 early initiatives during the first year of the project.
11 These early initiatives allowed us to introduce new
12 technologies and help bring more taxpayers into
13 compliance early.

14 In 2021 and 2022, we implemented new analytic
15 models to improve both our Personal Income Tax Audit and
16 our Filing Enforcement case selection. These new and
17 improved models allowed us to quickly identify cases
18 that result in helping taxpayers comply and meet their
19 tax obligations. Early indications show a likely
20 improvement in the percentage of cases we work that
21 result in an assessment.

22 We've also introduced new data sources for
23 Collections. This is information reported to FTB by
24 individuals and businesses that pay taxpayers for
25 services or report investment income. Our collectors

1 can use these new data sources to help resolve
2 collection cases.

3 We also implemented a new PIT Payer File, now
4 affectionately called our "Manage Assets and Income
5 Solution." This solution provides our Collections and
6 Filing Enforcement programs with more valuable
7 information that can be used in our automated and manual
8 enforcement efforts. This solution has more data
9 sources and improved matching of taxpayers data -- to
10 this data, which, in time, will result in increased
11 revenue and staff productivity.

12 Lastly, we piloted a new Audit Candidate
13 Selection solution. This solution was the starting
14 point for selecting audit cases managed in the new
15 system. This was the first step in implementing the
16 functionality that now has been leveraged for multiple
17 case types.

18 After laying the groundwork with our early
19 initiatives and pilot program, we introduced the first
20 compliance workload to the enterprise tax system.

21 The Personal Income Tax Audit & Protest workloads
22 started its transition in January of 2023, and it
23 completed in late 2023. This transition was
24 accomplished through a methodical approach. Each new
25 workload was transitioned in a manner and at a pace that

1 allowed us to make improvements and address unforeseen
2 issues easily and quickly. This reduced the risk of
3 negative impacts on FTB's options but, most importantly,
4 on taxpayers. We call this our crawl, walk, run
5 approach.

6 For PIT Audit workloads, we've completed the
7 crawl, walk, run approach, finished the implementation,
8 and we are in the process of converting the final
9 PIT Audit & Protest cases from our legacy audit system
10 to the new solution.

11 And in January of 2024, we expanded to
12 incorporate the PIT Collections workloads.
13 PIT Collections has also completed the crawl, walk, run
14 implementation, including converting all cases from the
15 legacy system into the new system in December 2024.

16 In July of 2024, we brought on the remaining
17 Audit & Protest workloads for pass-through entities and
18 business entities. Again, we're taking a very
19 methodical implementation approach to minimize the risk
20 of this transition.

21 In January of this year, we transitioned the
22 BE Collections and Legal workloads and implemented
23 models for PIT Filing Enforcement and BE Filing
24 Enforcement. Last year, we will bring -- later this
25 year -- sorry -- we will bring both the PIT and

1 BE Filing Enforcement workloads onto the new system.
2 And over the course of 2025, we will be converting the
3 cases, again, from the legacy system into the new
4 system.

5 As Jose mentioned, in addition to transitioning
6 these workloads to the enterprise system, each
7 implementation brings new self-services, modeling
8 capabilities, data visualizations, and the ability to
9 leverage additional data.

10 Lastly, in January of 2026, we will have
11 completed the implementation of the project and enter
12 into what is called the warranty year. In the warranty
13 year, we will focus on maturing the EDR2 functionality
14 and complete project closeout activities.

15 Since we have successfully completed full
16 implementation for our PIT Collection and Audit
17 workloads, we'd like to take a moment and share two user
18 testimonials.

19 Our first testimonial is from our PIT Audit user
20 Brian Kwong. Brian says he was initially cautiously
21 optimistic about the idea of merging the legacy systems
22 into ETS. He liked the idea of simplifying processes
23 and was curious to see how it would work. He says one
24 of the best improvements is how many of their old
25 procedures and checklists are no longer necessary.

1 While there are still bugs and workarounds to address,
2 the system, when it is working properly, will streamline
3 the process and save time.

4 Next, we have PIT Collector Sonia Torres.
5 Sonia's initial thoughts of the new PIT Collection
6 systems were very positive. She was excited about its
7 potential to streamline their processes and improve
8 their workload -- workflow efficiency. She really
9 appreciates the intuitive interface and how it
10 significantly enhances their productivity by saving
11 valuable time. She finds it incredibly easy to
12 navigate, which makes their work much smoother.

13 Next, Jose will discuss our current project
14 status.

15 MR. OROZCO: Thank you, Jennifer.

16 As with any project of this size, we have robust
17 risk and issue management processes in place. We want
18 to report that over the last three and a half years of
19 the project, we have encountered seven major risks, of
20 which one was escalated to an issue.

21 We are thankful and happy to report that our
22 solution partners have been fully engaged and have
23 worked closely with FTB to mitigate these risks and
24 resolve the project issue without impacting the planned
25 project completion date or scope.

1 Of the seven major risks, five have been
2 resolved; two are active. The active risks, which have
3 approved mitigations, resulted from not delivering audit
4 data as planned and impacts to the implementation
5 activities. FTB has submitted two Special Project
6 Reports, also known as SPRs, and both have been approved
7 by the California Department of Technology.

8 The first was submitted December 2023 and
9 approved by CDT in 2024, resulting in an increase to the
10 overall project cost of 1.8 percent. The primary driver
11 for this SPR was the refined project costs and an
12 increase to the total contract amount with the primary
13 vendor for functionality that was critical to be
14 implemented to support current business operations and
15 ensure project objectives are met.

16 The second SPR was submitted in late 2024 and
17 approved by CDT in 2025. This SPR increased the overall
18 project cost by 2.4 percent. The primary driver for
19 this SPR was an update of actual project costs for prior
20 fiscal years and refinement of FTB's resource needs to
21 support new technology being introduced by the project.
22 These resource needs were included in the Board-approved
23 2025-2026 budget change proposal.

24 We're also happy to report that CDT's independent
25 project oversight consultants state that FTB's

1 EDR2 project's health is overall favorable.

2 Thank you to our Board for your continued support
3 with the EDR2 project. Your support is a big part of
4 our success.

5 This concludes our update. We would be happy to
6 take any questions you may have.

7 CHAIRPERSON COHEN: All right. Thank you very
8 much.

9 Colleagues, any questions? I'll start on this
10 end.

11 MEMBER ANDRIANARIMANANA: Yeah. Thank you for
12 the presentation. The testimonials are really helpful.

13 I'm curious. For the solutions that were
14 implemented in 2023 and 2024 and since the beginning of
15 the EDR2 project, has there been any evaluation or a
16 quantification of increased revenue or staff
17 productivity in terms of, you know, the parts of the
18 projects that have been implemented so far? Have you
19 seen any results or been able to quantify?

20 MS. ROUSSEL: So part of the actual project
21 measurement includes benefit measurements. And so at
22 this point in time, we earned about 2.6 billion in
23 benefits achieved. That's just over what our baseline
24 is, in comparison to the baseline before the project
25 started. And that's just from the benefits perspective,

1 from a revenue perspective.

2 That is just measuring it against, again, the
3 baseline. It's not attributable 100 percent to where we
4 can tie it back to exactly what caused that increase
5 with respect to efficiencies.

6 So we are early in on the implementation in the
7 completion of the run for both PIT Collections and
8 PIT Audit, as we explained. With that, we are starting
9 to measure and compare against the baseline. We hope to
10 have some results in May in order to really see exactly
11 how much efficiencies can be achieved through it.

12 MEMBER ANDRIANARIMANANA: Thank you. And you
13 said 2.6 billion --

14 MS. ROUSSEL: Correct.

15 MEMBER ANDRIANARIMANANA: -- in increased
16 revenues relative to the baseline, roughly?

17 MS. ROUSSEL: Correct.

18 MEMBER ANDRIANARIMANANA: Okay. Thank you.

19 MS. ROUSSEL: You're welcome.

20 CHAIRPERSON COHEN: Senator Gaines, any comment?

21 MEMBER GAINES: Yeah. Thank you for the
22 presentation.

23 And I'm just curious in terms of the
24 implementation of these different phases and from a
25 cybersecurity standpoint. Because we're talking about

1 eliminating silos of data, and I'm just curious as to
2 whether we're doing everything we can from a
3 cybersecurity standpoint.

4 MR. OROZCO: Thank you, Member Gaines. That's a
5 great question.

6 I would say yes. So there's a couple of things
7 that we're doing. Security is baked in into our
8 solution right from the design. So our contractor that
9 we've hired to help us implement EDR2 has done an
10 excellent job making sure that we are meeting all of our
11 security requirements.

12 On top of that, we also have a secondary contract
13 to perform an annual independent security assessment.
14 So we're partnering with a different vendor group that
15 comes in and verifies that our system is very robust
16 from a security perspective and makes sure that it is
17 either impossible or hard to hack our systems.

18 MEMBER GAINES: Wonderful. Thank you. I've been
19 reading a lot about these quantum computers that are
20 coming out and that they will be a threat in terms of
21 cybersecurity. I mean, some of the things I've been
22 reading is they'll be able to crack anything.

23 So I --- and I don't know how far that out -- is
24 out in the future, but is that something that's being
25 contemplated --

1 MR. OROZCO: So yes.

2 MEMBER GAINES: -- and addressed?

3 MR. OROZCO: So part of our strategy to make sure
4 that we do have a secure environment is to have
5 different layers of security. And you might have heard
6 that from other organizations.

7 So there are different layers. Some are
8 additional hardware that we put in front before anybody
9 can get into our back-end systems, but there's also
10 software solutions that we can put in place. Along with
11 that, there's also a lot of intruder detection that's
12 part of -- part of our network as well.

13 MEMBER GAINES: Okay. Great. And it sounded
14 like you're within budget.

15 MR. OROZCO: We are within budget.

16 MEMBER GAINES: Yeah. That's impressive, given
17 some of the other stories we've heard with other
18 departments in the State of California. So I take my
19 hat off to you, and continue the good work.

20 MR. OROZCO: Thank you.

21 MEMBER GAINES: Yeah. Thank you.

22 DEPUTY CONTROLLER EMRAN: Thank you, Member
23 Gaines.

24 For the record my name is Hasib Emran, California
25 Deputy State Controller for Taxation. I'll be chairing

1 the rest of this meeting.

2 I want to thank you both for your presentation.

3 So we're seeing that the EDR2 is winding down in
4 2025. So can you give us a sneak peak of what 2026
5 holds with EDR3 and, moving forward, what we can expect
6 and the public can expect from this modernization
7 project?

8 MR. OROZCO: Sure. In 2026, we will be in the
9 early stages of planning the EDR3 project. One of the
10 things that we're going to be doing is we're going to be
11 doing an analysis to determine what business problems we
12 should focus within EDR3 and what the general scope of
13 EDR3 is going to look like.

14 So that will be what we will focus on for EDR3
15 next year.

16 DEPUTY CONTROLLER EMRAN: Thank you for that.

17 And to your knowledge, is there any other state
18 in the country that's taking on such a tax modernization
19 project, and have you all been collaborating in any sort
20 of fashion with other states?

21 MR. OROZCO: We haven't been collaborating with
22 any other states on their tax systems modernization
23 plans, but other states are also looking at modernizing
24 their systems. And we know this because when we were
25 going through the procurement process with EDR2, we know

1 that other states were also beginning their
2 modernization efforts as well.

3 DEPUTY CONTROLLER EMRAN: Thank you.

4 I'm going to look to my members. If there's no
5 other questions, can we take public comment in the
6 auditorium, please.

7 Is there any members of the public that would
8 like to comment? Going once, going twice.

9 (No response.)

10 DEPUTY CONTROLLER EMRAN: Can we go to the phone
11 line.

12 Operator, is there any members of the public that
13 would like to take public comment on this matter,
14 Item 5?

15 PHONE MODERATOR: Yes. Thank you.

16 Members of the public on the phone lines, if you
17 would like to place yourself in queue for public
18 comment, please press 1, followed by 0, at this time; 1,
19 followed by 0.

20 And we'll go to the line of Christina [sic]
21 Gab -- Grab.

22 Please go ahead.

23 Oh, we do have her organization now. It's the
24 N.E. Taxpayer.

25 Please go ahead.

1 MS. GRAB: In the court case Grab versus FTB in
2 San Diego Superior Court, I documented that on two
3 separate occasions, collection agents Alexis Bear and
4 Carrey Burton-Beilby each directed me to send more money
5 than the bill said was due. Then they each falsified
6 FTB's accounting records to make it appear that that was
7 always the amount of money due.

8 All of that was documented in court records. I
9 was able to show exactly how they cooked the books.

10 Now, under the new EDR2 system, is it still
11 possible for collection agents to manually inflate
12 balances due, or have you taken that option out of the
13 system?

14 That's it.

15 DEPUTY CONTROLLER EMRAN: Thank you, caller. The
16 Franchise Tax Board will respond accordingly. So thank
17 you for your comments here on the record.

18 Seeing that --

19 MS. GRAB: Mr. Emran, you never respond to me. I
20 comment frequently, and you have never responded, ever.
21 So please do this time. I asked you last time to
22 respond, and you didn't respond last time either. So
23 please respond to me.

24 DEPUTY CONTROLLER EMRAN: I'll take it upon
25 myself to make sure that that response is recorded,

1 Ms. Grab. Thank you so much for your comment.

2 Caller, Ms. Grab, are you finished with your
3 public comment?

4 MS. GRAB: Yes.

5 DEPUTY CONTROLLER EMRAN: Okay. Thank you.

6 Operator, do we have any other callers on the
7 line?

8 PHONE MODERATOR: There are no other members of
9 the public queueing up at this time. Please continue.

10 DEPUTY CONTROLLER EMRAN: Thank you. So this
11 item will be closed.

12 We're going to power through here and go on to
13 Item Number 6, administrative matters. David Velo will
14 present contracts over \$2 million for Board approval.

15 MR. VELO: Good afternoon, Members of the Board.
16 My name is David Velo, Supervisor of the Franchise Tax
17 Board's Procurement Bureau. I'm here to present two
18 proposed procurements that will result in contracts of
19 over \$2 million for the Board's approval.

20 Our first request seeks approval to renew our
21 software support and maintenance agreement for Microsoft
22 products that support our internal options.

23 Maintaining our Microsoft licenses is critical to
24 ensuring the stability, security, and efficiency of our
25 IT infrastructure. These products are crucial, as they

1 provide database solutions, development tools, and
2 enterprise applications that our technologists rely on
3 to deliver essential applications and services to the
4 department and taxpayers.

5 If this agreement is not renewed, it could result
6 in multiple obsolete versions of Microsoft server
7 software products which are no longer supported and can
8 present operational risks. Unsupported software present
9 vulnerabilities, which could also cause the FTB to be
10 out of compliance with State-mandated security
11 requirements.

12 In addition, not renewing the contract will cause
13 disruptions in application development, data processes,
14 enterprise applications and services, workflow
15 automation, disaster recovery, and backup management.
16 Renewing these licenses ensure that we will remain
17 compliant, secure, and operational, allowing us to
18 continue to develop, deliver, and maintain applications
19 and services.

20 Our existing agreement expires in May of this
21 year, and we anticipate a three-year agreement estimated
22 at \$4.1 million. If approved, we plan to use a
23 Department of General Services agreement to conduct the
24 procurement.

25 The second contract I am presenting for your

1 approval is a software maintenance renewal for Genesys
2 software products.

3 Genesys software is a major component of our
4 contact center platform and supports FTB's phone
5 communications and our live chat functionalities. These
6 tools enable the department to conduct the --
7 effectively conduct business with taxpayers by providing
8 various self-service capabilities that assist taxpayers
9 in meeting their tax filing and payment obligations.

10 Genesys products were brought into FTB in 2006,
11 and we have continued to build upon that platform
12 successfully over the years. Without this contract, FTB
13 risks having our context -- contact centers down.

14 Excuse me.

15 FTB's Interactive Voice Response system receives
16 upward of 7 million calls a year, and without these
17 tools, we may only be able to handle a small portion of
18 that call volume. This would result in decreased levels
19 of customer service and potential revenue loss to the
20 state.

21 Our current agreement expires in June of this
22 year, and we anticipate a one-year agreement estimated
23 at approximately \$2.1 million. If approved, we are
24 planning on conducting a competitive bid.

25 I am requesting approval to proceed with the

1 proposed procurements and would be happy to answer --
2 answer any questions you may have. Thank you.

3 DEPUTY CONTROLLER EMRAN: Thank you for your
4 presentation.

5 I'm going to turn to my members. Do we have any
6 questions? We'll go ahead and start with you.

7 MEMBER ANDRIANARIMANANA: No questions from me.

8 DEPUTY CONTROLLER EMRAN: Okay. No questions.

9 Member Gaines.

10 MEMBER GAINES: Yeah. Thank you for your
11 presentation.

12 It's my recollection that these renewals have not
13 gone up very much. Were there slight increases in these
14 contracts?

15 MR. VELO: Yes, sir. With the Microsoft
16 agreement, there was an average of 3.12 percent increase
17 year to year. It's about a 9 and a half percent
18 increase overall for the three-year agreement.

19 MEMBER GAINES: Okay.

20 MR. VELO: With the Genesys agreement, we're
21 looking at potentially a 20 percent increase.

22 MEMBER GAINES: Excellent.

23 And this Genesys software, doesn't it provide the
24 opportunity, if a caller comes in and it's busy, that
25 you can tap in your phone number and they'll call you

1 back?

2 MR. VELO: You're correct. That's a virtual hold
3 capability that we have. If they're waiting online, you
4 can put down your phone number and we'll keep you in the
5 queue, and then we'll call you once your number is up.

6 MEMBER GAINES: Wonderful. That's a great
7 service. I don't know why everybody doesn't have that.
8 It sure makes things a lot simpler.

9 MR. VELO: Certainly.

10 MEMBER GAINES: Yeah. So thank you. Appreciate
11 it.

12 DEPUTY CONTROLLER EMRAN: Thank you, Member
13 Gaines.

14 So I'm going to split this vote up into two.
15 We're going to go with, first, the Microsoft software
16 renewal contract, and then we're going to go on to
17 Genesys software renewal.

18 So, Members, do we have a motion for the
19 Microsoft software renewal contract?

20 MEMBER ANDRIANARIMANANA: Yes. I second a
21 motion.

22 DEPUTY CONTROLLER EMRAN: We have a motion.

23 Do we have a second?

24 MEMBER GAINES: Second.

25 DEPUTY CONTROLLER EMRAN: We have a second by

1 Member Gaines.

2 Can we go to the roll, please.

3 MS. MARTINEZ: Member Gaines?

4 MEMBER GAINES: Aye.

5 MS. MARTINEZ: Member Andrianarimanana?

6 MEMBER ANDRIANARIMANANA: Aye.

7 MS. MARTINEZ: And Deputy Controller Hasib Emran?

8 DEPUTY CONTROLLER EMRAN: Aye.

9 Thank you, Members. That motion passes
10 unaniously.

11 Next, we're going to go to Genesys software
12 renewal.

13 Members, do I have a motion for this software
14 contract renewal?

15 MEMBER GAINES: So moved.

16 DEPUTY CONTROLLER EMRAN: So moved by Member
17 Gaines.

18 MEMBER ANDRIANARIMANANA: Second.

19 DEPUTY CONTROLLER EMRAN: Seconded.

20 Can we go to the roll call, please.

21 MS. MARTINEZ: Member Gaines?

22 MEMBER GAINES: Aye.

23 MS. MARTINEZ: Member Andrianarimanana?

24 MEMBER ANDRIANARIMANANA: Aye.

25 MS. MARTINEZ: Deputy Controller Hasib Emran?

1 DEPUTY CONTROLLER EMRAN: Aye.

2 And that motion passes unanimously.

3 And before we move on from this item, can we go
4 to public comment.

5 Is there any members of the public that would
6 like to make a comment on this matter?

7 (No response.)

8 DEPUTY CONTROLLER EMRAN: Seeing none, AT&T
9 Operators, are there members of the public on the phone
10 line that would like to make public comment on this
11 matter, Item 6?

12 PHONE MODERATOR: Thank you.

13 Members of the public on the phone lines, if you
14 would like to place yourself in queue for public
15 comment, please press 1, then 0, at this time.

16 (No response.)

17 PHONE MODERATOR: Mr. Chair, no members of the
18 public are queueing up at this time. Please continue.

19 DEPUTY CONTROLLER EMRAN: Thank you, caller --
20 thank you, Operator.

21 So we're here at our last two items.

22 I want to thank you too, Mr. Presenter.

23 So we have Item 7, which is the Executive
24 Officer's time. And I'm going to turn it over to
25 CEO Selvi. You could take it away, please.

1 EXECUTIVE OFFICER STANISLAUS: Thank you, Chair,
2 and good afternoon, Board Members.

3 I would like to begin by welcoming you all to our
4 first board meeting of 2025. It's a privilege to be
5 here with all of you, and I'm excited about the work
6 we'll accomplish together in the months ahead.

7 First, I want to extend a heartfelt thank-you to
8 State Controller, the honorable Malia Cohen, and to our
9 Board for your support throughout 2024. Your guidance
10 and collaboration were instrumental in helping us
11 navigate a very challenging year, successful year. We
12 are deeply grateful for your continued partnership as we
13 move forward to 2025, and I look forward to building on
14 the strong foundation we've established together.

15 It's also my pleasure to extend a warm welcome to
16 our newest Board Member, Chairman of the Board of
17 Equalization, the honorable Ted Gaines, and his staff.
18 Mr. Cox was here today and the rest of his staff.

19 Member Gaines, you're bringing a wealth of
20 experience from your time in the State legislature and
21 your leadership at Board of Equalization. So your
22 commitment to transparency, accountability, and economic
23 growth, along with your advocacy for California
24 taxpayers, makes you an invaluable addition to this
25 Board. We are honored to have you here with us, and I

1 am eager to see the contributions you make as we serve
2 the people of California together. Welcome aboard.

3 MEMBER GAINES: Thank you.

4 MS. MARTINEZ: And now I turn it over to Roger
5 Lackey to provide an update on our accrual processes.

6 Roger.

7 MR. LACKEY: Thank you, Selvi.

8 There we go. Thank you Selvi.

9 Good afternoon, Deputy Controller Emran and Board
10 Members. I'm Roger Lackey, Chief of the Finance and
11 Executive Services Division.

12 So each year, FTB participates in the Annual
13 Financial Audit conducted by the California State
14 Auditor in cooperation with the State Controller's
15 Office, which publishes the Annual Comprehensive
16 Financial Report, also known as the ACFR, which is one
17 important component of that audit -- one important
18 component of that audit is the accrual process.

19 Due to the fax tiling and payment dates moving
20 multiple times due to the 2023 storms, the '22/'23
21 fiscal year was a significant challenge. We appreciate
22 the collaboration, the support of our partners -- the
23 State Controller's Office, the Department of Finance,
24 and the California State Auditor -- and the dedication
25 of our own FTB staff to overcome the challenges and

1 complete a successful review of our accruals.

2 For '22/'23, the California State Auditor's
3 review of our annual accrual process with the Financial
4 Audit provided positive feedback for FTB's approach and
5 the methodology used and included no recommendations.

6 For the '23/'24 Financial Audit and Accrual
7 process, the postponement of payments for the L.A. fires
8 must be accounted for in our accruals.

9 Building off our successful partnership with
10 the -- with the Controller's Office, Department of
11 Finance, and the California State Auditor, we have been
12 actively meeting with our partners to align activities
13 and tasks and look forward to a successful '23/'24
14 Financial Audit and Accrual process, meeting our common
15 objectives.

16 In addition, as part of our sustainability
17 efforts, FTB also has an independent consultant
18 performing a review of our processes to ensure best
19 practices and to identify any potential opportunities
20 for future fiscal year efforts.

21 So I just want to say thank you, especially to
22 the Controller's Office as well as Department of Finance
23 for your partnership. We truly appreciate your support
24 as we complete this complex and important responsibility
25 for the state of California.

1 DEPUTY CONTROLLER EMRAN: Wonderful. Thank you
2 for your presentation.

3 Thank you, Selvi, as well.

4 I'm going to turn to my Board Members. Do we
5 have any comments or questions for CEO Selvi?

6 Yes.

7 MEMBER ANDRIANARIMANANA: No questions. Just a
8 comment regarding the accruals and the work that's been
9 going there.

10 It's been a significant challenge, like you said,
11 for the past couple of years and then the L.A. fires.
12 So very much looking forward to continuing working with
13 you on those issues and overcoming kind of the
14 complexities of what that means for accruals. Yeah.

15 MEMBER GAINES: Thank you.

16 DEPUTY CONTROLLER EMRAN: Thank you so much.

17 Seeing no others, can we go to the public comment
18 in the auditorium.

19 Are there any members of the public that wish to
20 comment on Item Number 7, Executive Officer's time?

21 Please make your way.

22 (No response.)

23 DEPUTY CONTROLLER EMRAN: Seeing none, Operator,
24 is there anybody on the line that wish to comment on
25 Item Number 7?

1 PHONE MODERATOR: Thank you.

2 Members of the public on the phone lines, if you
3 would like to place yourself in queue for public
4 comment, please press 1, 0, at this time.

5 (No response.)

6 PHONE MODERATOR: No members of the public are
7 queueing up. Please continue.

8 DEPUTY CONTROLLER EMRAN: Thank you, Operator.

9 So we're going to go on to our last item here.
10 This is Board Members' time.

11 And I also want to welcome Senator Ted Gaines to
12 this board. He's my colleague on the Board of
13 Equalization too, and he's a wonderful, wonderful
14 person. Really, really happy to have him on here.

15 I'm going to turn the mic to you, Member Gaines,
16 if you want to make a few comments here.

17 MEMBER GAINES: Yeah. Thank you so much.

18 It's been a wonderful afternoon, and it's been an
19 honor to sit here for the first time as a member of the
20 Franchise Tax Board.

21 And I would like to thank Director Stanislaus and
22 all of her staff for such a warm welcome and for giving
23 me such a complete overview of operations here, although
24 I've got so much to learn. I'm really on the outside
25 just looking in and trying to get clarity and just

1 making sure that we're operating as we should.

2 And, certainly, we have a very complex tax system
3 in California. And I guess my concern would be an
4 individual or a business that is trying to take the time
5 to go through and present their return. You can
6 often -- you can come up with different answers
7 depending on which CPA you're using.

8 And so my hope was that there would be grace in
9 those situations as we deal with taxpayers, while at the
10 same time balancing that with individuals that are
11 trying to game the system. Just want fair taxation of
12 our citizens.

13 And so that's something I've always tried to do
14 in public office. I consider myself a taxpayer
15 advocate. Make sure that people are being treated
16 fairly through the process regardless of what process
17 that is, try to help them in terms of constituent
18 services, making sure they're getting in touch with the
19 people they need and try to solve problems.

20 So I look forward to carrying on that approach
21 and working with the FTB and doing everything I can to
22 make it better with my small contribution.

23 So thank you. Appreciate it.

24 DEPUTY CONTROLLER EMRAN: Thank you, Senator
25 Gaines.

1 I would also like to make a few announcements as
2 well.

3 We have Tax Day coming up April 15th, and it's a
4 big day in California. We hear time and time again it's
5 the second largest tax department in the country, and I
6 would probably say the world; right? So it's crucial
7 for Californians to file their taxes on time to avoid
8 penalties and ensure that their dues and owes are taken
9 care of. And as a reminder, many Los Angeles County
10 residents have until -- and businesses have until
11 October 15th.

12 Tax season is also an opportunity for California
13 to claim potential credits and refunds. One of the most
14 exciting programs is CalEITC, which has the opportunity
15 to put almost \$3,500 back into the pocket of hardworking
16 families who are earning less than about 31,000 a year.
17 And let's not forget about the Young Child and Foster
18 Youth Tax Credit, offering over \$1,100 in relief.

19 They can truly make a difference. And as always,
20 you can find more information about how to claim these
21 credits and ensure you receive the maximum benefits
22 you're entitled by visiting the Franchise Tax Board
23 website.

24 We talked about this earlier, about the Direct
25 File/CalFile. So those with an adjusted gross income of

1 \$84,000 or less in 2024, please take advantage of that.

2 It's at no cost to you.

3 I'm personally looking forward to a successful
4 and rewarding tax season. I know the Controller is too.

5 Moving on, March -- we're coming down to it. It
6 is Women's History Month, everyone. So I want to shout
7 out all the mothers, grandmothers, the nieces, the
8 sisters, and all the incredible women that are doing the
9 work as we recognize Women's International History
10 Month, the trailblazers of the past, including the women
11 who are not recorded in our history books. And we honor
12 all your legacy by carrying forward the valuable lessons
13 learned from the powerful examples you all set through
14 protest and activism.

15 Generations of women have fought to give meaning
16 to the idea that we all are created equal, and we all
17 look for the presence of opportunity for justice in
18 jobs, one that promises equal pay for equal work. And
19 although women are nearly half of our nation's workers
20 and some of the most skilled in 2024, we're falling
21 short, because the average woman earned 85 cents to
22 every dollar earned by a man.

23 And although the majority of our country's
24 college students are women, women are still
25 underrepresented in most STEM, in science, technology,

1 engineering, and math, and even in the arts. And the
2 Controller is encouraging more women and girls to pursue
3 careers in these fields.

4 So we must strive to build a future that we want
5 our children to inherit, ones in which their dreams are
6 not deferred or denied but where they're uplifted and
7 praised. We have come far, but there's still so much
8 farther to go in shattering the glass ceiling.

9 And this Women's History Month 2025, the theme is
10 for all women and girls' rights, equality, empowerment.
11 So as we reflect on the marks made by women throughout
12 history, let us uphold the responsibility that falls on
13 all of us, regardless of gender, and fight for equal
14 opportunity for our daughters and sons -- along with our
15 sons and our sisters and our nieces.

16 And I want to give a shout-out. We have an
17 incredible CEO that's leading this, the first woman ever
18 on the Franchise Tax Board. She's about 20 years into
19 this gig, and she's -- she's doing an incredible job.
20 Selvi. I want to recognize it.

21 Can we all give her a round of applause,
22 everybody.

23 (Applause.)

24 DEPUTY CONTROLLER EMRAN: So I want to thank you
25 for that.

1 And lastly, we do have a three-day weekend
2 upcoming. I want to wish you all a restful holiday. It
3 is Monday. March 31st will be observed as Cesar Chavez
4 Day in the state of California.

5 He's an icon in the labor and the civil rights
6 movement. And his right-hand person was Dolores Huerta,
7 who is an incredible trailblazing woman as well. So may
8 we honor the legacy of freedom and equality and justice
9 for all.

10 So I want to wish you all an amazing holiday
11 weekend.

12 And I'll actually go to public comment first.

13 Do we have any members of the public that would
14 like to comment on this matter in the auditorium?

15 (No response.)

16 DEPUTY CONTROLLER EMRAN: AT&T Operator, can we
17 go to the telephone lines. Is there any members of
18 public that would like to comment on this that are on
19 phone line, please?

20 PHONE MODERATOR: Thank you.

21 Members of the public on the phone lines, if you
22 would like to place yourself in queue, please press 1,
23 followed by 0, at this time; 1, 0.

24 (No response.)

25 PHONE MODERATOR: And, Mr. Chair, no members of

1 the public are queueing up at this time.

2 DEPUTY CONTROLLER EMRAN: Thank you, Operator.

3 We're at the point of adjournment too. And I
4 just want to take a quick moment to adjourn in the honor
5 of the San Bernardino Sheriff County police officer
6 Hector Cuevas Jr., who was age 36. And last Monday in
7 Victorville, California, he died in a crash, in a police
8 pursuit while he was pursuing a stolen vehicle.

9 He was a six-year veteran of the police
10 department. He leaves behind a wife and a young family.
11 And may God continue to watch over him and his family
12 during this time. It's very, very tragic. And I just
13 urge everyone to please be safe when we're out here in
14 these streets.

15 So seeing that there's no other business before
16 us, I would like to adjourn in his memory, and my
17 thoughts and prayers also with the San Bernardino County
18 Sheriff's office.

19 Our next scheduled meeting will be for May 14th,
20 2025.

21 And we are adjourned here at 3:38 p.m. Thank you
22 so much, everybody.

23 (Proceedings concluded at 3:38 p.m.)

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CERTIFICATE OF REPORTER

I, EMILY SAMELSON, 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, to the best of my ability, in shorthand by me, Emily Samelson, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of April, 2025.

EMILY SAMELSON, CSR
Certified Shorthand Reporter
License No. 14043

